

ITB WORLD TRAVEL TRENDS REPORT

2015 / 2016

PREPARED BY IPK INTERNATIONAL ON BEHALF OF
ITB BERLIN – The World's Leading Travel Trade Show®



ITB
ACADEMY

KNOWLEDGE
TRAINING
EDUCATION



INTERNATIONAL



ITB WORLD TRAVEL TRENDS REPORT December 2015

Copyright ©2015 Messe Berlin GmbH

All rights reserved. The contents of this report may be quoted, provided the source is given accurately and clearly. Distribution or reproduction in full or in part is permitted for own or internal use only.

The presentation of material in this publication and the designations employed do not imply the expression of any opinions whatsoever on the part of Messe Berlin or any of its components or agents.

Prepared on behalf of ITB Berlin by:

IPK International

Gottfried-Keller Strasse 20
D-81245 Munich
Germany

Contact: Fenja Weberskirch, Marketing Consultant
Tel.: +49 89 8292370
E-Mail: weberskirch@ipkinternational.com
Website: www.ipkinternational.com

Printed on environmentally-friendly paper

Published and printed by:

Messe Berlin GmbH

Messedamm 22
D-14055 Berlin
Germany

Contact: Astrid Zand, Press Officer
Tel.: +49 30 3038 2275
Fax: +49 30 3038 2141
Website: www.messe-berlin.de
Email: ehring@messe-berlin.de

www.itb-library.com

ITB WORLD TRAVEL TRENDS REPORT 2015 / 2016

Contents

A	Global tourism shakes off crises	6
B	Europeans switch destinations but keep travelling	10
C	Asia Pacific outbound travel maintains strong growth	13
D	North Americans head for foreign shores, South Americans keep travelling	16
E	High-spending Arab tourists go on more diverse holidays	21
F	City trips drive world travel growth	24
G	Recovering from crises	30
H	Social media: reviews and blogs play increasing role in travel decisions	34

Foreword

Dear reader,

This ITB World Travel Trends Report 2015 / 2016 was again commissioned by ITB Berlin from IPK International, organisers of the 23rd annual World Travel Monitor® Forum, held at San Giuliano Terme, near Pisa, Italy, in late October 2015.



The report covers the main trends in outbound travel demand for the first eight months of 2015 together with estimates for the full year and initial forecasts for 2016, as presented at the Pisa forum (as it is widely known).

In addition, it focuses on various topics and market segments that were discussed at the forum. These included the growth of the Arabian outbound market and the continued strong performance of the city trips segment. Experts also held very timely discussions about how tourism destinations can recover from crises and the influential role of social media in the travel business.

As the following sections show, the world travel industry overcame diverse crises, including violent conflicts and several terror attacks, and also slower economic growth this year to remain on a steady growth path. Worldwide outbound travel grew by 4.5% in terms of trips over the first eight months of 2015, the number of overnights rose by 3% and average spending increased by 4% per night. Asia and North America showed the fastest growth among major regions (both 5%) but Europe was close behind with a 4.5% increase in outbound travel. South America (4%) performed well while the smaller Middle East market showed the strongest growth with a 9% increase.

The outlook for 2016 is again positive with 4.3% growth for outbound travel forecast by IPK's World Travel Monitor®. Once more, Asia is expected to head the worldwide growth, followed by North America, while Europe should generate solid growth and South America will consolidate its recent increases. One particularly positive finding in the World Travel Monitor® is that 55% of international travellers say that crises do not influence their travel planning.

As usual, the Pisa forum was organised in co-operation with the European Travel Commission (ETC). Some 50 experts from around the world, including all regions of Europe, along with North and South America and parts of Asia Pacific, took part. They represented international organisations, national and regional tourism organisations and associations, international research institutes and private companies from travel and tourism and related sectors.

ITB Berlin is delighted to continue its close association with IPK International and the Pisa forum for the 11th consecutive year. In March 2016 at the ITB Berlin Convention, Rolf Freitag will present updated figures for 2015 as well as the latest forecasts for 2016.

Meanwhile, we wish you happy reading!

Dr. Martin Buck
Senior Vice President
Travel & Logistics
ITB Berlin

David Ruetz
Head of ITB Berlin
KompetenzCenter
Travel & Logistics

Rolf Freitag
President & CEO
IPK International

Section A: World Travel Trends

Global tourism shakes off crises

Worldwide economic factors, violent conflicts and terrorist attacks as well as the refugee crisis in Europe are impacting very differently on the global tourism industry this year. The overall trend remains satisfying, however, and 2015 has been another good year for world tourism with a 4.5% rise in outbound trips in the first eight months of this year. The outlook for 2016 remains healthy and further growth of 4.3% is expected. Those were the key results presented at the 23rd World Travel Monitor[®] Forum in Pisa, Italy.

Slower world economic growth

The global economy has slowed slightly this year but should pick up again in 2016, according to forecasts by Dr. Gernot Nerb from the Ifo Institute for Economic Research in Munich. After growth of 3.4% in 2014, global GDP is currently expected to increase by 3.3% this year and then by 3.8% in 2016. Economic trends are positive in the USA and most European countries, China is slowing at a controlled rate while Russia and Brazil are showing signs of stabilisation after downturns this year, according to the renowned German economics think-tank.

World outbound travel stays on the growth path

In 2015, violence and political unrest continued to affect some destinations around the world, impacting significantly on their tourism sectors, IPK International President Rolf Freitag told the forum. Terrorist attacks directly targeted tourists in some countries while incidents in other countries also impacted on tourism demand. In addition, the dramatic surge in refugees arriving in Europe affected destinations and resulted in border controls that also slowed down cross-border travel. "All these factors have affected various destinations in different ways as tourists choose safer destinations. Yet there is no overall negative impact on global outbound travel and people are continuing to travel abroad more and more," he emphasised.

The number of outbound trips worldwide increased by 4.5% in the first eight months of 2015, according to preliminary World Travel Monitor[®] results from IPK International. This figure is expected to be maintained for 2015 as a whole, giving a total of 1,024 million outbound trips and resulting in more than 1.2 billion international tourist arrivals worldwide (on average international travellers visit 1.2 countries per trip). There was a healthy 4% rise in average spending per night, which was double the increase seen last year.

The number of overnight stays increased by 3% from January to August, taking the global total to 7.5 billion nights. The average length of stay was 7.3 nights, which continued the long-term trend of shorter average trips due to the above-average growth of short trips (1-3 nights) compared to longer trips. Indeed, short trips now make up 33% of all outbound trips compared to 37% for trips of 4-7 nights and 30% for 8 nights or longer. Luxury class hotels and 'para-hotel' accommodation continued to increase their market shares, while other hotel categories lost worldwide market shares.

As the graphic shows, world outbound travel in terms of trips and nights has grown at similar rates this year compared to the last few years while spending per night is rising faster than in the last two years.

World travel trends (change in % over respective previous year)

	2012	2013	2014	2015 YTD
Outbound trips	+4%	+4%	+5%	+4.5%
Outbound nights	+2%	+4%	+3%	+3%
Outbound spending per night	+9%	+1%	+2%	+4%

Source: World Travel Monitor[®] 2015, IPK International

Asia and North America drive global growth

Global outbound travel growth this year was once again driven by Asia Pacific (+5%) and North America (+5%) while South America (+4%) performed surprisingly well. European outbound travel grew by a good 4.5% driven by improving economic conditions. The Middle East grew by a strong 9% but Africa dropped by 6%. (For further information on Europe, Asia Pacific, Americas and Middle East trends see the respective regional sections later in this report.)

In terms of individual countries, Germany remains the 'world travel champion' as the worldwide number one outbound market for international tourism, followed by the USA and the UK. Excluding all trips to Hong Kong and Macau, China lies in fourth place in the ranking. The USA, China and Germany are the top three in spending terms.

Rank	Top 6 outbound markets By trips	Top 6 outbound markets By spending
1	Germany	USA
2	USA	China
3	UK	Germany
4	China	UK
5	France	Japan
6	Canada	Canada

Source: World Travel Monitor[®] 2015, IPK International

World inbound tourism outpaces forecasts

International tourist arrivals grew by 4% to a total of 810 million worldwide in the first eight months of 2015 according to World Tourism Organization (UNWTO) figures released last October. Europe, the world's most visited regional destination, recorded a robust 5% increase in international tourist arrivals, the highest across all regions and a notable result for a rather mature region. Asia and the Pacific, the Americas and the Middle East all enjoyed 4% growth, while limited data available for Africa points to an estimated 5% decrease in the number of international tourists. The Demand was positive overall, although tourism flows were influenced by the comparatively strong currency fluctuations, UNWTO pointed out. Many destinations are benefitting from more favourable exchange rates, while others have become more expensive, but seen their purchasing power abroad increase.

The figures for January – August 2015 are mostly ahead of or in line with UNWTO projections for the whole year issued in January. At that time, the UNWTO predicted a rise of 3–4% in worldwide international tourist arrivals, with a similar growth rate for Europe, 4–5% for Asia and the Pacific and the Americas, and 2–5% for the Middle East. The only exception is Africa where the downturn contrasts with a predicted rise of 3–5% for this year.

Michel Julian, Technical Coordinator of UNWTO's Tourism Market Trends Programme, told forum participants: "International tourism has maintained its strength despite geopolitical challenges and continues to grow." The outlook for the final months of 2015 remains positive, although the latest UNWTO Tourism Confidence Index is slightly down but from a high level. *(For further information on the regional inbound trends for Europe, Asia Pacific and the Americas see the respective sections later in this report.)*

City trips and cruises drive market growth

The main trends in world outbound travel are the strong growth of city trips, cruise holidays and long-haul travel, according to the World Travel Monitor®. More and more people are travelling abroad on holiday, with 34% growth between 2007 and 2014. Cruise holidays have boomed with a dynamic 248% increase over the seven years while city trips have soared by 82% to reach a 22% share of all holidays. (For more information on city trip trends see the section later in this report.) In comparison, sun & beach holidays grew by 39% between 2007 and 2014 and make up 29% of all holidays. Tours have grown more slowly by 21%, and make up 20% of all holiday trips. In contrast, countryside holidays have stagnated in volume terms and now only represent 7% of all holidays.

One result of the strong growth in city travel is a trend towards more off-season travel. The number of trips taken between January and April increased by 60% from 2007 to 2014 and now accounts for 27% of all trips. In comparison, summertime trips (May – August) increased by 17%, and have a 41% share, while September – December trips rose by 16% and have a 31% share, according to World Travel Monitor® figures. Over the same period, long-haul travel has grown to 17% of the total market

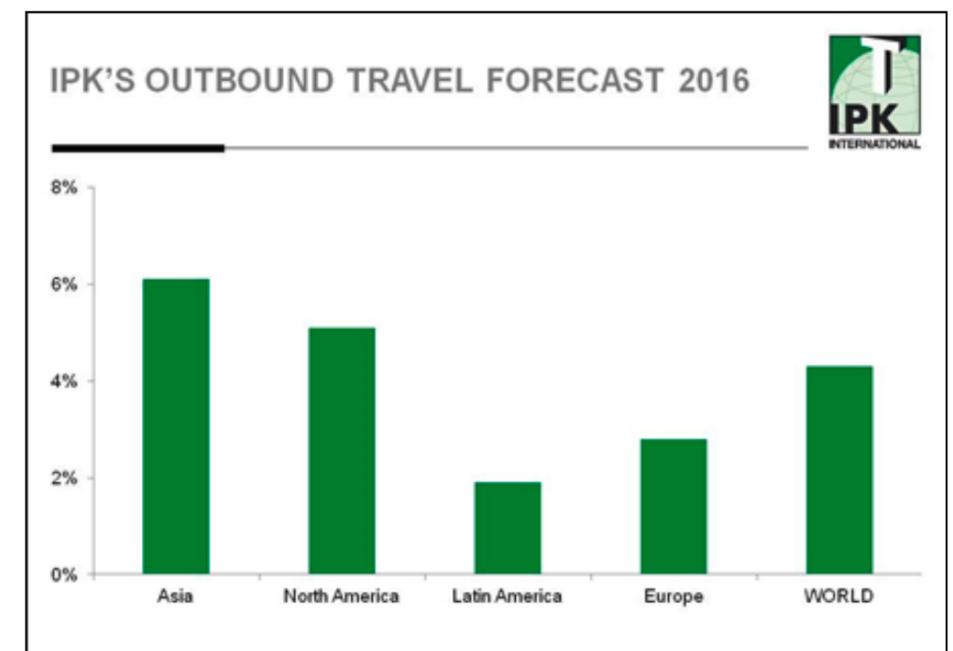
in terms of trips and to 29% in terms of spending. Average spending per long-haul trip was US\$2,930 in 2014. The USA (20%), UK (8%), China (7%), Canada (6%), Japan (5%) and Germany (5%) are the top long-haul source markets.

In the business travel market, the MICE (Meetings, Incentives, Conferences & Exhibitions) segment grew by 37% between 2007 and 2014, reaching a 54% market share. The traditional business trips segment, which is being impacted by technological solutions, has declined by 14%.

Asia and North America drive global growth

The outlook for world travel in 2016 remains positive. In October 2015, as part of its World Travel Monitor, IPK International questioned respondents in the most important markets for outbound travel about their travel planning for 2016. The result is the World Travel Confidence Index, which already predicted future market trends very reliably in recent years. This found that 42% of respondents intend to travel the same amount next year as this year, while 30% plan more travel and only 20% plan to reduce travel. While crises influence the travel planning for 45% of respondents, a majority of 55% say they are not influenced.

Overall, IPK is predicting international tourism growth of 4.3% for 2016. The strongest growth can be expected from Asia (+6.1%) and North America (+5.1% in total, but +5.9% from the USA). Europeans will also contribute to the rise in global tourism with a 2.8% increase in outbound trips. The travel desire of Latin Americans is relatively subdued, and they plan only 1.9% more trips than in 2015.



Source: World Travel Monitor® 1–8/2015, IPK International

Section B: European travel trends

Europeans switch destinations but keep travelling

Europeans travelled abroad in good numbers this year and will keep travelling in 2016 but could favour safer destinations amid continuing conflicts and attacks around the world. However, it is too early to assess the potential impact of the current refugee crisis and the high increase in terror attacks on outbound travel next year. These were some of the key results of the 23rd World Travel Monitor® Forum in Pisa.

Improving economic growth in Europe

The European economy has improved this year with expected GDP growth of 1.5% for the Eurozone as a whole compared to 0.9% in 2014, according to figures from the ifo Institute for Economic Research in Munich. A slightly stronger growth of 1.6% is being forecasted for 2016. This continued recovery is mostly driven by the German economy which is predicted to grow 1.8% next year, with private consumption increasing 2.6% this year and 2.9% in 2016. In addition, Spain is continuing to recover and Italy has moved out of recession. Outside the Eurozone the UK is growing well (+2.5% this year; +2.4% in 2016).

European outbound trips up by 4.5%

Against this positive background, the number of outbound trips made by Europeans increased by about 4.5% over the first eight months of this year, according to preliminary World Travel Monitor® results from IPK International. This once again represented good growth following a rise of 3% in 2014 and similar single-digit growth rates in the last few years.

However, demand for different destinations fluctuated strongly this year, with some countries in southern Europe, North Africa and the Middle East suffering in particular. IPK International president Rolf Freitag told the forum: "Many destinations have faced problems this year, keeping travellers away, sometime in droves. European tourists are choosing safer destinations, and in some cases they are even shifting from international trips to domestic holidays."

Overall, European outbound travel grew by about 8.5% from 2007 to 2014, reaching a total of 444 million outbound trips last year. During this period, Western Europe's share fell back slightly to just over 40%, Northern Europe's share weakened slightly to under 25% while Eastern Europe grew to over 20% of the total European outbound market. About 85% of international trips made by Europeans are to destinations within Europe, according to World Travel Monitor® figures.

Like elsewhere around the world, Europeans are going on more city trips and booking more up-market hotels. As a result, the average length of a trip dropped to about 8 nights in 2014 from around 9.5 nights in 2007. Spending is slightly higher at around 105 euros per person per night but slightly lower per trip at 825 euros per person due to the shorter average length of the trip, according to World Travel Monitor® figures. Online bookings reached about 65% last year while travel agency bookings dropped to about one fifth.

Good growth for inbound travel to Europe

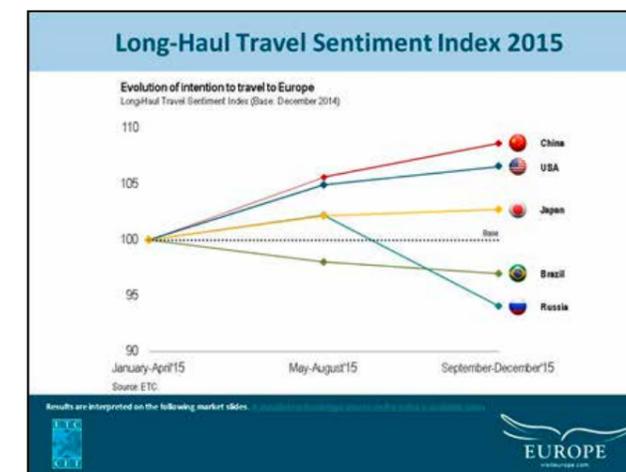
There has been stronger demand for destinations within Europe this year. The number of international arrivals in Europe grew by 5% between January and August 2015 and ahead of the expected 3–4% growth for this year, according to UNWTO figures. Michel Julian, Technical Coordinator of the UNWTO's Tourism Market Trends Programme, told forum participants: "Europe is having a year of bumper growth that is consolidating solid results of previous years. A weaker euro is benefiting inbound travel."

A very busy summer season has contributed to the remarkable results of Europe. By subregion, Central and Eastern Europe (+7%) rebounded from last year's decline. Northern Europe (+6%), Southern Mediterranean Europe (+5%) and Western Europe (+4%) all recorded sound results for subregions with many mature destinations.

Positive signals for inbound travel to Europe

Europe saw positive growth in international tourist arrivals over the first eight months of 2015, driven mostly by intra-regional travel from major source markets such as the UK and Germany, according to European Travel Commission (ETC) figures. In terms of long-haul inbound travel, ETC expects a strong 30% rise in Chinese arrivals and a good 11% increase from the USA but an 18% fall from Russia for 2015 as a whole.

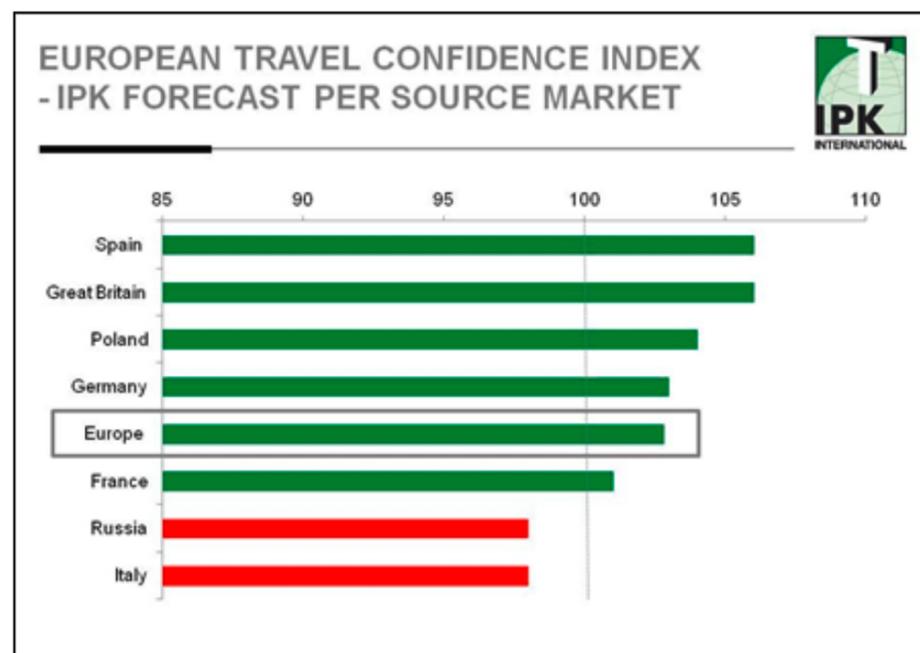
Looking ahead, Europe can generally expect an increase in international visitors from major long-haul source markets this year, according to a recent survey by the ETC. Consumers in China, the USA and Japan are all more positively inclined towards travel to Europe, while travel sentiment in Brazil is slightly lower than at the beginning of the year. Moreover, the intention to travel to Europe among Russian citizens has fallen significantly for the remainder of the year (September-December 2015). Stefanie Gallob, ETC's head of research, told the forum that in the USA the strong dollar is motivating middle- and higher-income travellers to consider Europe as a travel destination. In China, positive travel sentiment is mostly driven by younger and mid-aged people. In contrast, Russian travel intentions for Europe have fallen sharply due to a mix of factors, supporting notions of a predicted fall of 18% in Russian arrivals to Europe this year.



Source: ETC, 2015

Good outlook for 2016

Looking ahead to next year, IPK currently predicts a 2.8% rise in European outbound travel, based on its European Travel Confidence Index which measures travel intentions for the next year. According to the index, 70% of Europeans are looking ahead positively and want to travel at least as much in 2016 as this year. Confidence is highest in the UK and Spain (both +6%), Poland (+4%) and Germany (+3%), indicating good growth ahead for those source markets next year. In contrast, French consumers are only slightly more optimistic about their travel intentions for 2016, while confidence is lower in Russia and Italy (both -2%).



Source: European Travel Monitor® 1-8/2015, IPK International

In addition, tourism experts discussed intensively at the Pisa forum whether the current flood of refugees would impact on European travel demand, and what it might mean for European destinations. "The refugee crisis hasn't yet started to influence travel behaviour and we will still have to wait and see," said Rolf Freitag, IPK International president. However, one example could serve as a warning for the travel industry. "Munich's world-famous Oktoberfest had 400,000 fewer visitors this year and tourism receipts were about 60 million Euros lower because the event coincided with the peak of refugee arrivals in the city," he pointed out. According to Munich city council, the total number of visitors dropped to 5.9 million this year from 6.3 million in 2014.

Section C: Asia Pacific travel trends

Asia Pacific outbound travel maintains strong growth

Asia Pacific remains a leading growth market for world travel with a 5% rise in outbound trips so far this year despite the slowdown in the Chinese economy. Even stronger growth of 6.1% can be expected next year. This means that the region will once again outpace world travel growth in 2016 and continue to gain market share. These were some of the key results of the 23rd World Travel Monitor® Forum in Pisa.

Economic growth in Asia Pacific has slightly slowed this year but remains at a stable high level, according to figures from the Ifo Institute for Economic Research in Munich. After GDP growth of 5% in 2014, the region is forecast to grow by 4.7% this year and by 4.9% in 2016. Domestic consumption is growing faster than overall economic growth as the emerging middle classes continue to spend on consumer goods, while exports are contributing less to overall growth in the region. These trends are similar for China, where the economy has slowed slightly this year but continues to grow at a rate between 6% and 7% a year.

Slower outbound growth and uneven inbound growth across regions

The number of outbound trips made by travellers from Asia Pacific increased by about 5% between January and August this year, according to preliminary World Travel Monitor® figures. This followed growth of 6.5% in 2014. In comparison, the number of outbound trips worldwide increased by 4.5% in the first eight months of 2015, the World Travel Monitor® found. Rolf Freitag, IPK International president, commented: "These are very robust figures and show that Asia Pacific has grown slightly faster than the overall worldwide outbound travel market this year, although somewhat more slowly than in 2014."

International tourist arrivals to Asia and the Pacific rose 4% over the first eight months of this year, according to UNWTO, which is within the 4-5% growth range predicted for 2015 as a whole. However, this is slower than last year's 6% growth and the historical average annual growth rate of 6% recorded between 2005 and 2014. At a sub-regional level, Oceania (+7%) led growth, followed by South-East Asia (+6%), where Thailand showed a strong rebound after weaker results last year. Arrivals grew by 4% in South Asia and by 3% in North-East Asia, where Japan continues to show extraordinary growth.

Asia Pacific remains world growth driver

The latest figures confirm Asia Pacific's importance as a growth driver for world travel. Since 2007, the total number of outbound trips by travellers from the region (excluding Chinese travel to Hong Kong and Macau) increased by 65% to a total of 170 million trips, according to World Travel Monitor® figures. This growth was more than twice as much as overall world growth between 2007 and 2014. As a result, the region increased its share of the global outbound travel market by three percentage points to almost one fifth.

Looking ahead to next year, IPK currently predicts a 2.8% rise in European outbound travel, based on its European Travel Confidence Index which measures travel intentions for the next year. According to the index, 70% of Europeans are looking ahead positively and want to travel at least as much in 2016 as this year. Confidence is highest in the UK and Spain (both +6%), Poland (+4%) and Germany (+3%), indicating good growth ahead for those source markets next year. In contrast, French consumers are only slightly more optimistic about their travel intentions for 2016, while confidence is lower in Russia and Italy (both -2%).

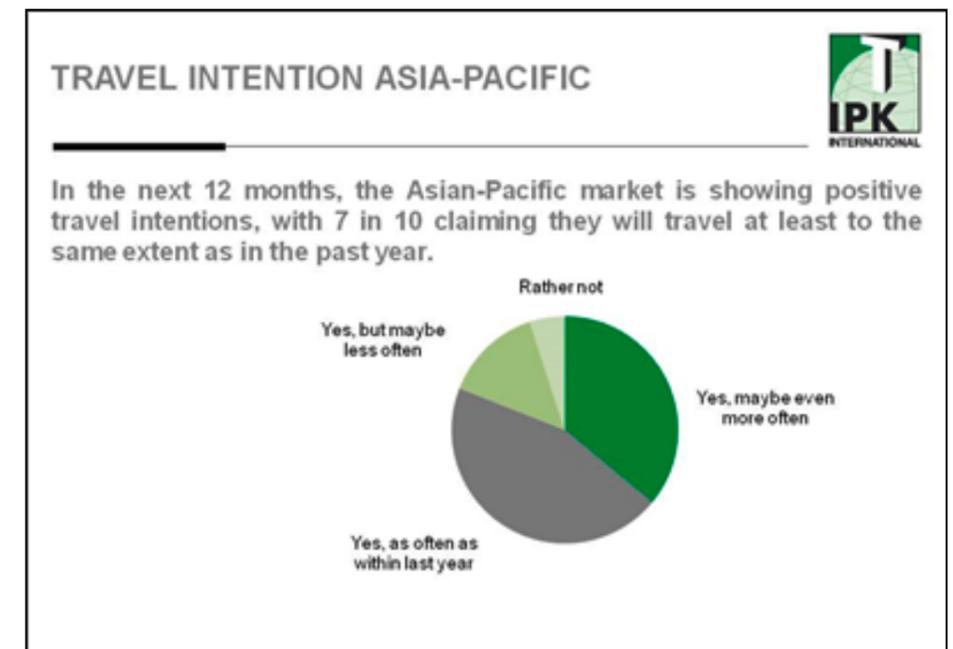
China has grown dramatically and has overtaken Japan as the largest outbound market in Asia Pacific, now accounting for nearly 30% of the region's outbound travel. In contrast, Japan has declined and now represents only about 15%, ahead of South Korea and Taiwan, World Travel Monitor® figures show. Asia Pacific remains important as a long-haul outbound market, with China in third place and Japan fifth as source markets for worldwide long-haul outbound travel. Most long-haul trips of Asian Pacific travellers go to Europe and North America, with Africa and Latin America playing only niche roles.

Key trends in the Asia Pacific outbound market between 2007 and 2014 include rises in short trips, beach holidays and city trips, along with a move to up-market hotels and higher average spending. Most trips (76%) are made within the region, with a rising trend since 2007 as travellers from Asia Pacific go on more holidays and more short trips. City trips and sun & beach holidays are becoming more popular, while traditional tours are losing market share, according to World Travel Monitor® figures. At the same time, travellers from the region are going up-market in their choice of accommodation. The proportion of bookings for 4/5 star hotels increased by 16 percentage points to 45% between 2007 and 2014, while the share for 1/3 star properties dropped by a similar rate to less than 30%.

The average length of a trip fell to six nights in 2014 from seven nights in 2007. Due to this combination of shorter trips but more expensive accommodation, the average spending per trip rose to 1,680 euros from 1,350 euros and the average cost per night per person increased to 275 euros from 195 euros over this period, according to World Travel Monitor® figures. These figures also reflect the relatively high income levels of travellers from the region who tend to be younger and better educated than the world average. Like elsewhere around the world, travellers from Asia Pacific have switched heavily to the internet, with about 65% of travellers making bookings online last year. Yet travel agents remain important in the region with a user share of about 40% last year, according to World Travel Monitor® figures.

Outbound travel to pick up speed in 2016

Looking ahead to next year, IPK predicts a 6.1% rise in Asia Pacific outbound travel, based on its Travel Confidence Index which measures travel intentions in the region for the next year. According to the index, 70% of travellers in Asia Pacific want to travel at least as much in 2016 as this year, including a high 27% who want to travel more. Significantly, confidence remains high in China and double-digit growth is expected in 2016. Rolf Freitag commented: "These very positive figures show that Asia Pacific remains the top growth market for world tourism. It is especially encouraging to see the high levels of confidence for outbound travel from China next year. We can look forward to another strong year for Asia Pacific outbound travel."



Source: World Travel Monitor® 1-8/2015, IPK International

Section D: Americas travel trends

North Americans head for foreign shores while South Americans keep travelling

North Americans are travelling in force this year thanks to the improving US economy and strong US dollar, and similarly strong growth is expected next year. Outbound trips are up by 5% this year, which is ahead of forecasts. South American outbound travel growth has remained robust despite weak economic conditions in the region but lower growth is expected next year. These were some of the key results of the 23rd World Travel Monitor[®] Forum in Pisa.

USA is key source market and destination

Several key trends in the US leisure travel market at present, according to Tress, include more short trips, rising interest in 'authentic' trips, adventure holidays, an increasing focus on health and wellness, culinary tourism, more up-market travel and an increase in 'multi-generational' travel.

North America outbound travel beats forecasts

The number of outbound trips made by travellers from North America increased by about 5% between January and August this year, according to preliminary World Travel Monitor[®] results. This is ahead of the expected 3% growth for 2015 and follows growth of 6% in 2014. While US outbound travel in general is particularly strong this year, Canadian outbound travel to the USA, the main destination, is on the other hand weaker in 2015. North America is set to regain world travel market share thanks to this year's above-average growth and the good outlook for 2016. Although the region lost 1% of the world market between 2007 and 2015, the USA was able to retain its individual market share, according to World Travel Monitor[®] figures.

Brian Tress, Ernst & Young's US Northeast Regional Leader for the hospitality and leisure sectors, told forum participants that the US market growth this year is being driven by good levels of consumer confidence, supported by GDP growth and falling unemployment. Moreover, the strong dollar is increasing the spending power of US consumers for international travel. Similarly, market growth in Canada saw positive momentum in 2015 fuelled by an increase in consumption and relaxed monetary policies but recent statistics indicate a slowdown in the economy given volatility in energy prices. One clear example of this good upcycle is the rising revenues in the US hotel sector, he pointed out. RevPAR ('Revenue per available room') has seen average annual growth of between 3.3% and 8.9% since 2010, and is expected to keep rising in 2016 and 2017. "This is a very strong performance," he commented.

Slowdown in travel to North America

This year's outbound trends are also reflected in inbound data from the World Tourism Organization (UNWTO) as reported in the latest UNWTO World Tourism Barometer. According to UNWTO, international tourist arrivals in the Americas as a whole grew by 4% between January and August 2015, which consolidated last year's strong 8% growth. The appreciation of the US dollar stimulated outbound travel from the United States while impacting on inbound travel to the country. The Caribbean and Central America (both up by 7%) saw the highest growth in international tourist arrivals in the region fuelled largely by the US and European markets, thus maintaining their good growth rates of 2014.

International tourist numbers to North America recorded a 3% increase following a 10% growth last year. Inbound tourism to the United States was affected by a stronger currency but both Canada and Mexico enjoyed strong growth.



Source: Ernst & Young, 2015

The health of the US travel market remains of vital interest to the worldwide travel and tourism industry. The country is both a leading source market and destination at the same time.

It is the world's second-largest outbound travel market (behind Germany and ahead of the UK) in terms of the number of trips but is number one for spending, according to World Travel Monitor[®] figures. In addition, it is by far the largest long-haul source market, with 20% of all long-haul trips. About 60% of trips are for holiday purposes, while the remaining 40% are split between business travel and visiting friends and family (VFR). Regarding the type, Americans prefer sun & beach holidays, followed by tours, cruises and city trips, according to World Travel Monitor[®] figures.



Source: World Travel Monitor® 1–8/2015, IPK International

US consumers split their international travel 52–48 between summer and winter months, according to World Travel Monitor® figures. In the winter, Mexico, the Caribbean, Canada and Europe are top destinations, while Europe, Canada and Mexico lead the destination rankings in the summer, according to Tress. On average, US consumers spend about US \$1,500 per international trip.

The USA is also the world’s top destination in terms of international arrivals and turnover, and is by far the dominant long-haul destination country with 17%. Long-haul trips to the USA increased by 20% in total from 2011 to 2015.

North America: outbound travel set for good growth in 2016

Looking ahead to next year, IPK predicts a 5% rise in North American outbound travel, based on its Travel Confidence Index which measures travel intentions in the region for the next year. Rolf Freitag, IPK International president, commented: “The US outbound market is performing very well this year and 2016 should be the best year that the North American outbound travel market has ever seen.”

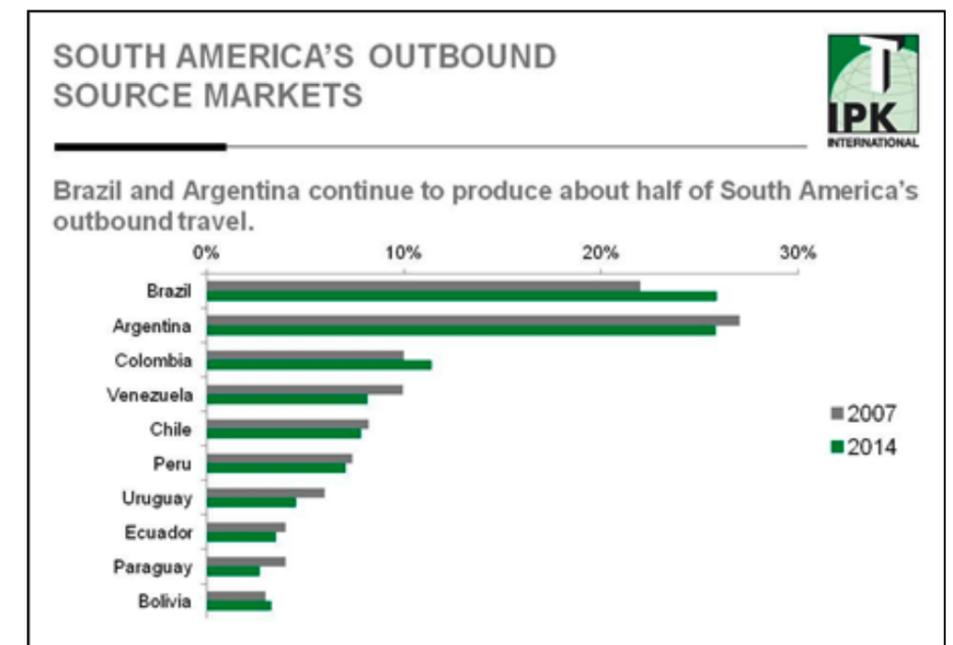
South America: weaker growth lies ahead

In South America, growth in outbound travel is slowing after several years of strong increases yet it has remained surprisingly robust so far this year. The number of outbound trips made by travellers from South America increased by about 4% between January and August this year, according to preliminary World Travel Monitor® results. This is slightly ahead of the original 3% growth forecast for 2015. The outlook for next year is not so good, however, due to the recession in Brazil and weaker economic conditions in other major countries.

South Americans go on more city trips

There are several factors behind the solid growth figure for this year. “South Americans are still travelling, especially within the region. There is also a significant proportion of well-off travellers who are less affected by the economic slowdown and they are still spending,” explained Rolf Freitag, IPK International president. According to UNTWO, international tourism to South America grew 4% over the first eight months of 2015, following a 7% increase in 2014.

South America was one of the success stories in world tourism in recent years, driven mostly by more travel from Brazil. Between 2007 and 2014, the number of outbound trips from South America increased by about 70% to a total of 27 million trips. This growth rate was twice as fast as overall world growth, according to World Travel Monitor® figures. Between 2007 and 2014, the Brazilian outbound market increased its share of the regional total by four percentage points to more than one quarter. Argentina’s share dropped slightly to the same share as Brazil.



Source: World Travel Monitor® 1–8/2015, IPK International

South Americans still mostly go on international trips within their own region, but the share fell back to less than 50% in 2014 while both Europe and North America are steadily approaching the 20% mark as destinations for travellers from the region, according to World Travel Monitor® figures. Holidays have grown to a high 70% of all trips, with city trips growing strongly compared to tours and sun & beach holidays, which have both fallen back. As a result, the average length of a trip has shortened significantly to 10 nights and average spending per person has risen to about 1,500 euros per trip. Like elsewhere around the world, bookings on the internet have increased in recent years, while travel agency bookings have dropped.

Weak outlook for 2016

The outlook for South America next year, however, is not so rosy. IPK's Latin American Travel Confidence Index for 2016 expects a moderate growth of just 1.9% for outbound travel from the region next year. Nevertheless, 43% of South American international travellers want to travel next year as much as in 2015 and 27% might travel even more, according to the index.

One wild card for 2016 is whether the Olympic Games in Rio de Janeiro next summer might have the same positive impact on international travel to Brazil as the football World Cup in 2014 which generated about half a million additional Brazil visitors both from South America and further afield. The Olympics will certainly attract a large number of sports fans but it is unclear what kind of publicity Brazil will generate before and during the event.

Rolf Freitag commented: "Overall, international travel from the Americas is performing well. There's a minor boom in US outbound travel thanks to the strong dollar while the Brazilian market is doing surprisingly well considering the country's economic challenges."

Section E: Arabian travel trends

High-spending Arab tourists go on more diverse holidays

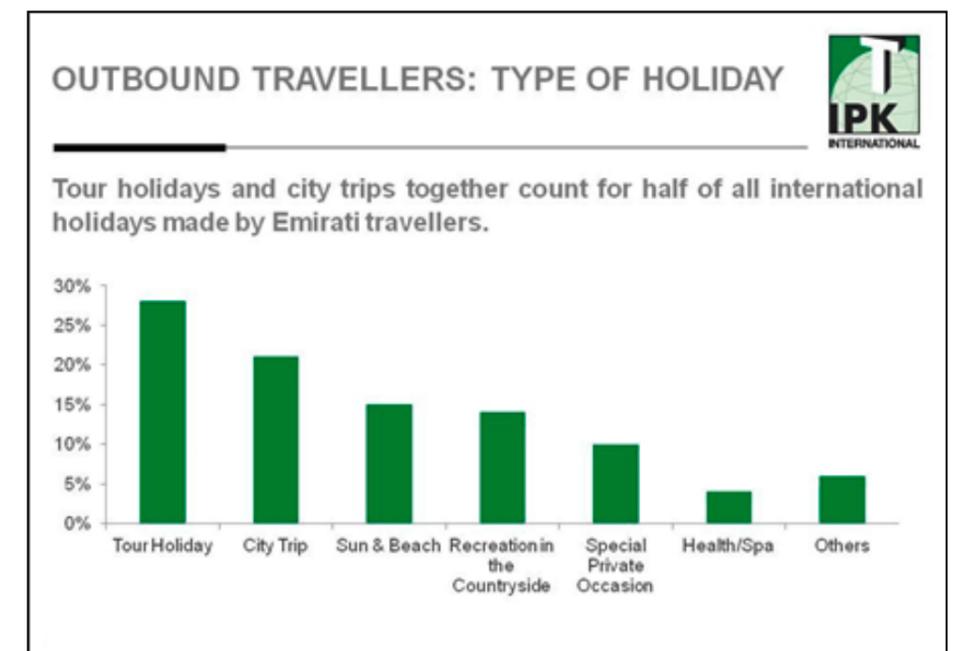
The Arabian outbound travel market is growing into a lucrative niche business as well-off travellers venture more beyond their home region and spend heavily on up-market accommodation, shopping and entertainment. However, the inbound market needs to be supported with a wide range of measures to secure its current slight recovery, experts said at the 23rd World Travel Monitor® Forum in Pisa.

Young well-off travellers go on long expensive trips

The Middle East outbound travel market was actually the world's fastest-growing market this year with a 9% increase in outbound trips over the first eight months of this year, according to preliminary World Travel Monitor® results from IPK International.

Beside Saudi Arabia, the United Arab Emirates (UAE) is the most attractive outbound market in the region and both are characterised by high spending and long trips. There is a very high proportion of high-earners going on international trips and a high (about 50%) share of younger international travellers under the age of 34, according to World Travel Monitor® figures. Furthermore, close to one third of trips are made with children. More than 30% of outbound trips from the region were taken by immigrants with residence and work licences in the Middle East, mostly travelling abroad to visit friends and relatives.

In 2014, about two thirds of outbound trips by Emiratis were for holiday purposes with a wide range of holiday types, ranging from tours and city trips to private events such as honeymoons and health-focused trips.



Source: World Travel Monitor® 2014, IPK International

Weak outlook for 2016

Emirates-based travellers like to escape the summer heat and mostly go on international trips in the summer months (almost 60%) compared to about 40% in the winter season. Moreover, they tend to go on long trips, with an average trip lasting 14 nights, and almost 30% of them lasting 16 nights or more. UAE travellers are also good spenders, with the average spending per person per night at about 200 euros. The average cost of a trip per person therefore totalled about 2,800 euros, according to World Travel Monitor® figures.

Shopping, entertainment and health

Ramzi Maaytah, Partner of IPK International Middle East, told the Pisa forum that many UAE residents have about 30–40 days a year available for holidays and often go on two or three trips a year, including one major international trip outside the region. “The outbound travel market is driven by factors as culture, entertainment, accessibility and the desire to visit cities,” he said. With a high proportion of young couples, families and also more women travelling from the region, entertainment, shopping and other leisure activities are popular destination activities.

Health-related travel is also a notable trend with well-off Arabs often going on long trips for medical purposes, accompanied by a large number of family members. Arabian tourists often book serviced apartments, for example, where a maid does the cooking and cleaning, he said. “There is also an interesting trend for people to visit long-haul destinations offering Islamic hospitality, such as Malaysia and Indonesia,” Maaytah pointed out. In general, Arabian tourists tend to make conservative choices when selecting their destination, he commented. “They prefer safe choices and want to know what they will get.”

Another feature of the Middle East is the large number of immigrants living and working in the region, often in well-paid jobs. With a share of more than 30% of all trips, they contribute significantly to the outbound travel market as well. “Many of the expats go on holidays within the region or to countries like Turkey,” Maaytah explained.

Inbound travel to Middle East on the recovery path?

In contrast, inbound international travel to the Middle East has been seriously impacted in recent years by turmoil and conflicts in the region, which have driven down visitor numbers to many countries. However, international tourist arrivals grew by an estimated 4% in the first eight months of this year, consolidating the recovery that started in 2014 when numbers increased by 6% to 52 million, according to UNWTO figures. (The UNWTO noted that data for the Middle East should be read with caution as it is based on limited available data.)

Badar Al Dhuhli, Lecturer in International Tourism Management at the Oman Tourism College, told Pisa forum participants that the crisis in the region in recent years had impacted on different travel segments in different ways. For example in Oman, “leisure tourism has declined in many destinations but religious tourism has proven more resilient,” he commented.

In addition, intra-regional travellers were changing their destination choices while it was too early to see if efforts to stimulate domestic tourism would pay off. As a result of the lower demand, hotel occupancy rates had fallen and hotel projects had been cancelled or delayed, while some airport expansion plans had been put on hold, he added.

“However, one positive sign is the Iranian nuclear deal. This is expected to result in an increase in travel within the Middle East,” Al Dhuhli pointed out. He also highlighted various measures taken by destinations to generate more international visitors, including lower air fares, reduced airport fees, airline subsidies, reduced hotel rates and taxes, and higher budgets for advertising and other marketing activities.

A ‘roadmap for recovery’

More fundamentally, the crisis had exposed underlying weaknesses in the region’s tourism infrastructure, products and services, the Omani tourism expert explained. These included outdated hotel stock, strong seasonality with occupancy rates fluctuating between 10% and more than 100%, insufficiently diversified products, ineffective marketing and challenges with the quality of human resources.

Outlining a ‘roadmap for recovery’, Al Dhuhli said the regional tourism industry needed to respond more rapidly to changing market conditions, boost international partnerships, develop new and more diversified products, and focus marketing measures more clearly on specific markets. In addition, authorities could stimulate the sector by removing tax and visa barriers, investing in infrastructure and tourism promotion, and creating attractive new jobs, he urged.

Section F: City trips

(Note to readers: the Pisa forum took place at the end of October 2015. This section therefore does not cover subsequent events, including the terror attacks in Paris, and their consequences.)

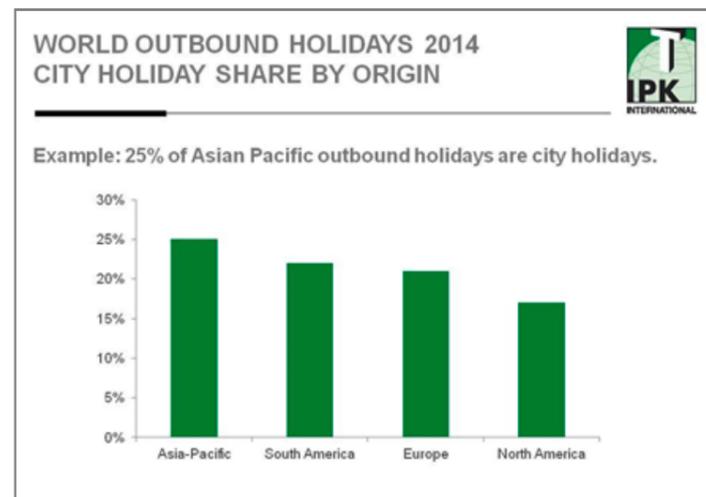
City trips drive world travel growth

City trips are the fastest-growing part of the international leisure travel market as Europeans, Asians, North and South Americans head for attractive destinations in nearby countries and also overseas. Many cities around the world are profiting from higher visitor numbers, although concerns are increasing about the impact of large masses in very popular destinations, experts said at the 23rd World Travel Monitor® Forum in Pisa. International tourist numbers to North America recorded a 3% increase following a 10% growth last year. Inbound tourism to the United States was affected by a stronger currency but both Canada and Mexico enjoyed strong growth.

Strong outbound growth in all regions

City trips soared by 82% between 2007 and 2014 to reach a 22% share of all holidays, according to World Travel Monitor® figures. "This was the really dynamic segment that has driven market growth over the last seven years," IPK president Rolf Freitag told forum participants. This strong increase has been driven by cheap flights and low-cost accommodation as well as new attractions and activities. The key motivations for city trips tend to be similar around the world, research shows. These are mainly sightseeing, enjoying the city atmosphere, shopping, eating out, and visiting cultural attractions.

Significantly, this strong growth is a worldwide phenomenon that is not restricted to mature markets such as Europe and North America. Growth rates are even stronger in emerging markets such as Asia Pacific and South America, where this segment now has a higher share of total outbound travel than in the first two regions. City trips now comprise almost one fourth of all international holidays for travellers from Asia Pacific and South America, World Travel Monitor® figures show. In comparison, they account for almost one fifth of trips for Europeans and North Americans.



Source: World Travel Monitor® 2014, IPK International

In Europe, city trips grew to about 20% of all holiday trips last year from about 15% in 2007, World Travel Monitor® figures show. In 2014, Europeans made nearly 70 million city trips to international destinations, a 60% rise on 2007 which corresponds to 7% per year, and booked about 400 million overnight stays. Traditional city trips dominate the market with a share of nearly 75% while one quarter of all trips are combined with visits to friends and relatives.

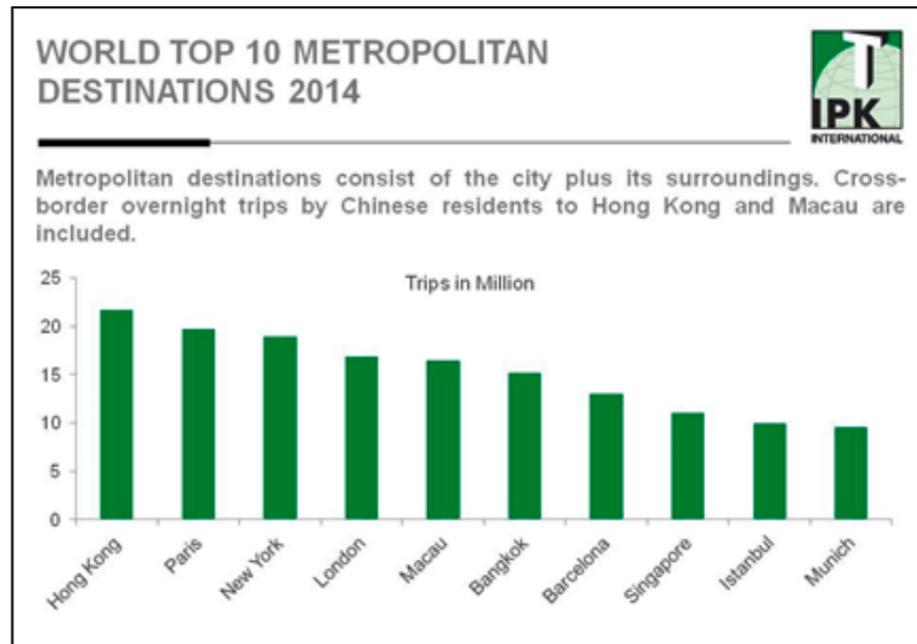
In Asia Pacific, city trips increased from about 15% of all holiday trips in 2007 to about 25% last year, generating more than 30 million such trips in total. This strong growth reflects in particular the dramatic increase in the number of Chinese people going on international trips, many of them on short trips to cities in Asia.

In South America, city trips increased their share of outbound holiday trips by nine percentage points to more than one fifth last year, representing more than 4 million city trips. This strong growth on a relatively low base mostly reflects the rise in international trips to other cities within the region. Regional travel by South Americans to Brazilian cities for the football World Cup championship was a particular factor in 2014.

In North America, city trips had a share of less than one fifth of the outbound holiday market in 2014. This slightly lower figure compared to other regions is largely due to geography as many major outbound city destinations are long-haul trips from a North American perspective. European cities, for example, are especially popular with US and Canadian tourists.

Top 'metropolitan' destinations

Hong Kong, Paris and New York were the world's top three 'metropolitan' travel destinations (city plus its surroundings) in 2014, according to the World Travel Monitor®. Hong Kong remained number one, when cross-border overnight trips by Chinese residents to the territory are included. The other top ten destinations were London, Macau, Bangkok, Barcelona, Singapore, Istanbul and Munich.



Source: World Travel Monitor® 2014, IPK International

The World Travel Monitor® measures so-called ‘metropolitan regions’ covering the city and the immediate surrounding region that is relevant for international visitors. Paris, for example, thus includes Versailles and Disneyland Paris. Similarly, many visitors to cities such as Barcelona and Munich actually stay in accommodation in the surrounding region and travel in to the city on day-trips.

Limits to growth?

At the Pisa forum tourism experts also discussed increasing concerns about the impact of large masses in very popular destinations. Venice, for example, is worried about the impact of high numbers of cruise passengers arriving simultaneously and then flooding through the city’s narrow streets to see the main sights all at the same time. In Barcelona, there has been well-publicised criticism by residents of the historic city centre and other districts about the number of tourists crowding through their neighbourhoods. IPK president Rolf Freitag confirmed: “This is becoming a problem in some cities. In particular, cruise ships are causing problems with their large passenger numbers.” He predicted that some cities might consider limits on the number of visitors in the next few years.

In Europe, city trips grew to about 20% of all holiday trips last year from about 15% in 2007, World Travel Monitor® figures show. In 2014, Europeans made nearly 70 million city trips to international destinations, a 60% rise on 2007 which corresponds to 7% per year, and booked about 400 million overnight stays. Traditional city trips dominate the market with a share of nearly 75% while one quarter of all trips are combined with visits to friends and relatives.

In Asia Pacific, city trips increased from about 15% of all holiday trips in 2007 to about 25% last year, generating more than 30 million such trips in total. This strong growth reflects in particular the dramatic increase in the number of Chinese people going on international trips, many of them on short trips to cities in Asia.

In South America, city trips increased their share of outbound holiday trips by nine percentage points to more than one fifth last year, representing more than 4 million city trips. This strong growth on a relatively low base mostly reflects the rise in international trips to other cities within the region. Regional travel by South Americans to Brazilian cities for the football World Cup championship was a particular factor in 2014.

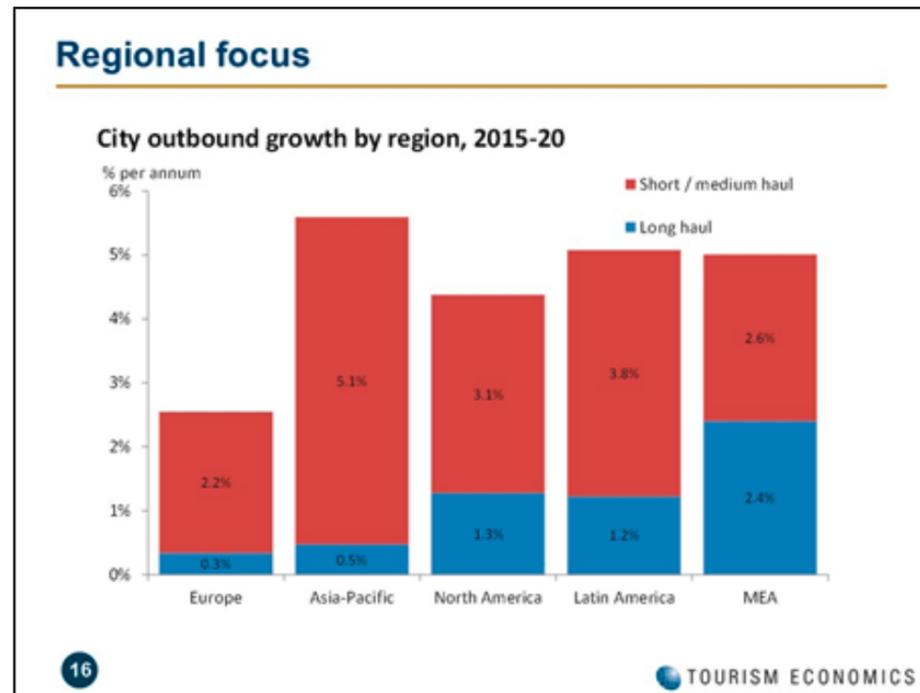
In North America, city trips had a share of less than one fifth of the outbound holiday market in 2014. This slightly lower figure compared to other regions is largely due to geography as many major outbound city destinations are long-haul trips from a North American perspective. European cities, for example, are especially popular with US and Canadian tourists.

Cities grow as outbound source markets

As well as being destinations, cities also play an important role as source markets for outbound travel, especially as urbanisation continues to spread in regions such as Asia Pacific, Latin America and Africa. Urban residents are often more wealthy than people in towns or rural areas, resulting in greater travel than the nationwide average in their home countries.

Helen McDermott, Lead Economist with UK-based Tourism Economics, told the Pisa forum that cities make up less than 20% of the global population but have more than 40% of the world’s middle-class households. The number of outbound trips made by urban residents has risen continually since 2010 and is forecast to keep growing at a similar rate up to 2020, she said. (The estimates and forecasts are based on Tourism Economics’ Global City Travel service which covers 300 cities worldwide.)

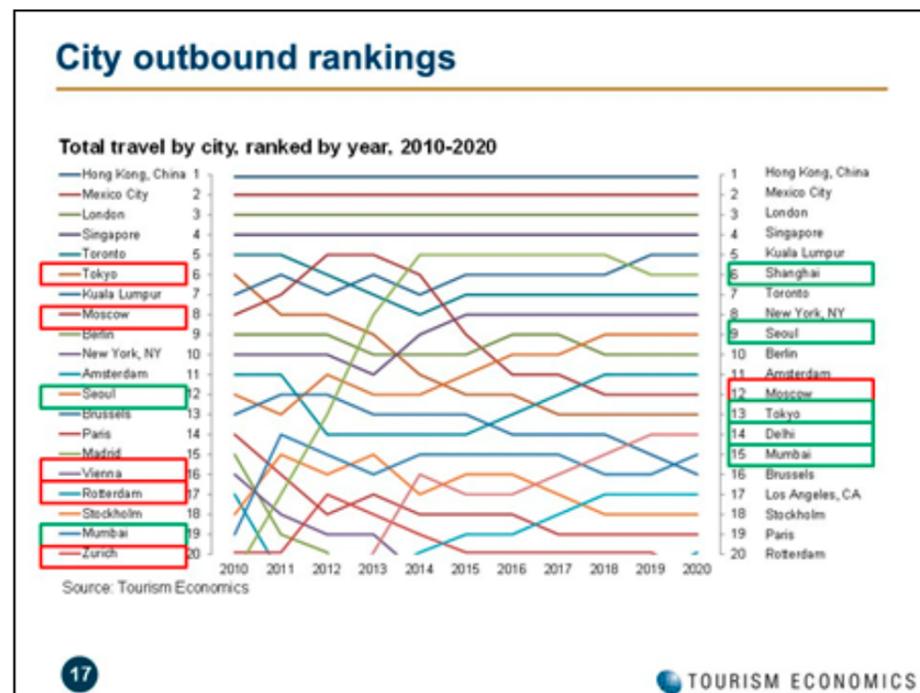
At a regional level, city outbound travel in Asia Pacific is forecast to grow more than 5% a year between 2015 and 2020, slightly ahead of Latin America and Middle East/Africa, while North America will grow more than 4% and Europe by about 2.5% a year over the five-year period, according to Tourism Economics. The bulk of this increase will be in short/medium-haul trips to regional destinations but there will also be significant growth for long-haul travel.



Source: Tourism Economics, Global City Travel Forecast, July 2015

Asian cities are fastest-growing outbound markets

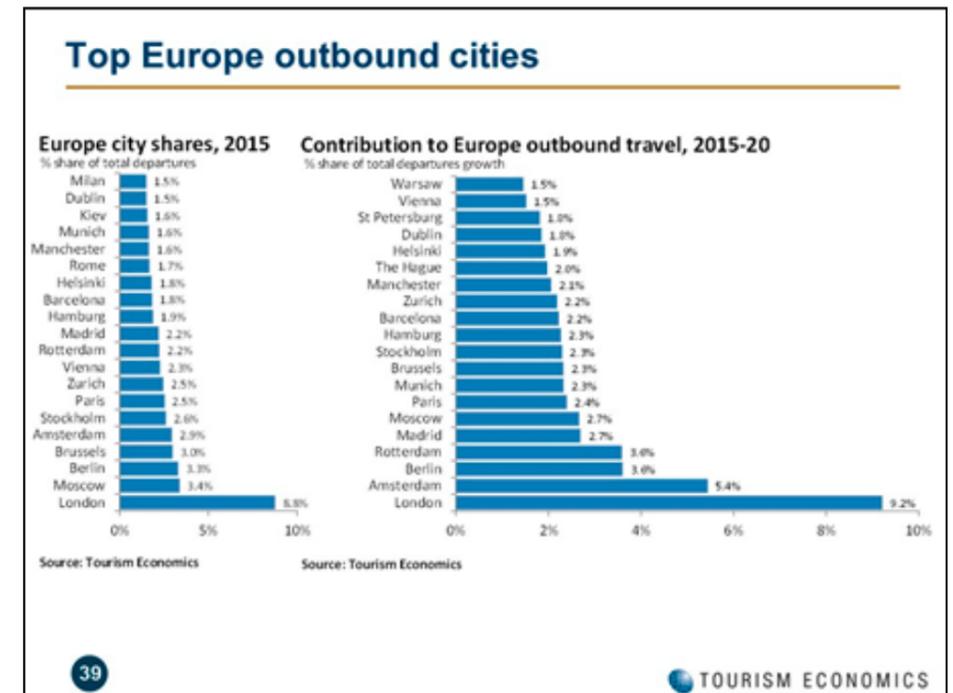
Meanwhile, the four largest single outbound city markets – Hong Kong, Mexico City, London and Singapore – are predicted to retain these rankings in 2020 due to their overall size. However, Kuala Lumpur could rise to number five from seventh in 2010 while Shanghai could soar to sixth place from outside the top 20 ranking in 2010 as their populations travel more, according to forecasts by Tourism Economics.



Source: Tourism Economics, Global City Travel Forecast, July 2015

Indeed, most of the fastest-growing city markets are to be found in Asia, with Seoul, Delhi and Mumbai also predicted to rise higher in the top 20 ranking, McDermott pointed out. Delhi and Mumbai are expected to continue dominating their country's outbound travel market, owing to the large populations as well as increasing wealth. In contrast, although Shanghai is expected to extend its position as the largest outbound city market in China, the distribution of outbound travel across other Chinese cities is more widespread, although Tianjin is also expected to be a key contributor to outbound travel from China over the next 5 years.

In Europe, where the improving economy and rising consumption is driving travel growth, London will remain by far the largest single outbound city travel market. Other key growing outbound markets in Europe include Amsterdam and Rotterdam, reflecting a rebound in outbound travel from these cities following on from a period of subdued growth in recent years; and Berlin is also expected to be amongst the next fastest-growing markets between 2015 and 2020. Whilst continued growth is expected, Moscow, Brussels, Stockholm and Paris are forecast to see below average growth over the next 5 years, McDermott told forum participants.



Source: Tourism Economics, Global City Travel Forecast, July 2015

In the USA, solid economic growth supported by strong consumer spending, a healthy labour market and rising wages will continue to drive outbound travel. The two largest outbound cities are New York and Los Angeles, and are expected to outgrow other major markets such as Chicago, Dallas and Houston over the next 5 years.

Section G: Crisis impact

(Note to readers: the Pisa forum took place at the end of October 2015. This section therefore does not refer to subsequent events, including the terror attacks in Paris, and their consequences.)

Recovering from crises

Tourism has proved remarkably resilient during 2015 despite many conflicts and terror attacks around the world but many destinations, authorities and tourism companies are currently trying to recover from diverse crises. The impact of disasters, conflicts and other disruptions on tourism was the subject of a timely discussion at the 23rd World Travel Monitor® Forum in Pisa, Italy.

Tourism shows robust long-term growth

In contrast to fluctuations in many sectors, travel and tourism is normally very robust in the face of crises. Most consumers keep travelling, although they may well switch away from a troubled destination to one that they regard as safer. This is reflected in various long-term growth figures. For example, the number of outbound trips has grown by 4–5% every year since 2012 according to World Travel Monitor® figures (see the first section of this report on Global trends). Indeed, the only major downturns in recent times were following the 9/11 terror attacks in 2001 and the global economic crisis of 2008/09, when the sector bounced back to former levels within 1–2 years in each case.

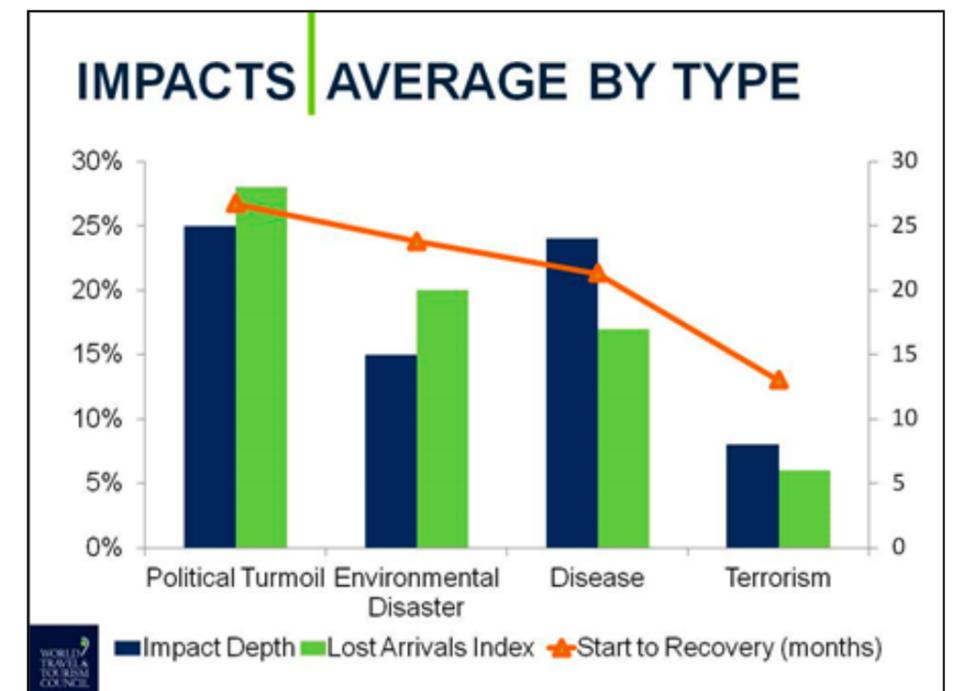


Source: World Tourism Organisation (UNWTO)

How do crises impact on tourism?

The impact of crises on tourism and the length of time needed to return to previous levels differ widely depending on the type of crises and diverse factors, according to initial research by the World Travel & Tourism Council (WTTC). Evelyne Freiermuth, the WTTC’s policy & research manager, told forum participants that the research looked at crises divided into four categories: disease; environmental disaster (natural catastrophes); political turmoil (conflicts); and terrorism. Factors affecting the scale of their impact on tourism include whether tourists are directly targeted or affected, which locations are involved, the extent of infrastructure damage, the time of year, as well as the scale and tone of media coverage, she explained.

The initial results of WTTC research showed that political turmoil tends to have the greatest impact on tourism as it affects a destination’s overall safety and security over a long period, Freiermuth said. “Political turmoil has a much more gradual impact but it often lasts for a long time and is difficult to judge when it is over,” she commented. In contrast, terrorism “does not have the biggest impact”, Freiermuth pointed out, based on WTTC’s research into various incidents over the past decade. “This is very difficult to generalise or to be definitive about. It is not the size of the attack that necessarily has the biggest impact but other factors,” she said. For example, the Madrid train attack in 2004 impacted less on tourism to Spain than bombings with a similar death toll in Indonesia caused in the Asian destination. Major outbreaks of disease, such as SARS in Asia, tend to have a very rapid short-term impact on tourism but this stabilises and the affected destination recovers fairly quickly, she said. On the other hand, environmental disasters often have less impact on tourism although the effects can last longer.



Source: WTTC, 2015

How should authorities respond?

Although different crises require different responses, governments and authorities should ensure they have clear and effective communications, the WTTTC research manager said. For example, a five-point crisis communications plan should cover quick responses, clear information, consistency, openness and accessibility, and sympathy for victims. Once the destination starts to focus on tourism recovery, the most effective messages are often testimonials from celebrities and confirmation that the local community wants visitors back again, she pointed out. "Messages must be honest and say more than just 'business as usual' which might be met with scepticism," she commented.

Participants in the forum pointed out that the impact of a crisis also depends on whether tourists believe they are directly at risk and whether they have a choice of alternative destinations or not. In addition, authorities should clearly communicate factors that tourists might not be aware of, such as distances between an affected area and the main tourist destinations, they recommended.

Greek tourism bucks the country's economic slump

One country that has been through major political and economic crises in recent years is Greece, yet its tourism industry has mostly performed well. Between 2008 and 2014, the country's GDP contracted by 26% but international tourist arrivals increased by 38% and international tourism receipts by 12%. As a result, tourism's direct contribution to the Greek economy rose from 5.9% to 6.9% over the period. Moreover, the number of jobs in Greece dropped by 23% from 2008 to 2014 but tourism saw a relatively mild fall of 6% in the number of direct jobs.

Greek tourism grew in contrast to the overall economy for various reasons, George Drakopoulos, CEO of consultancy Tourism Generis, explained to the Pisa forum. The country had clearly benefited from problems in other destinations, especially in North Africa after the Arab Spring. "The Greek government also realised how important tourism is for the economy," he pointed out. For example, the government made it easier for Russian tourists to get visas for Greece, generating a big rise in visitor numbers. In addition, investments in new, up-market hotels improved the product offering while Aegean Airlines invested in new airplanes and routes to support destinations.

On the other hand, Greece did not avoid the trap of trying to compete on price in response to tour operator pressure despite its relatively high cost levels as a member of the Eurozone, Drakopoulos said. In addition, frequent VAT rises impacted on hoteliers. "We should not compete on price but on value for money," he commented. Looking ahead, there was also potential to sell Greece holidays to new source markets such as China and to double Turkish visitor numbers to one million by facilitating visa procedures, he added.

Overall, the Greek experience had shown the need to work long-term, set up public-private partnerships, improve products with more targeted offerings, and carry out more proactive marketing and media relations, Drakopoulos concluded. However, he warned: "There is a downturn in human resources with lower salaries and less motivation. I fear that this could result in talent shortage and not the desired level of services in future."

Section H: Social media / sharing economy

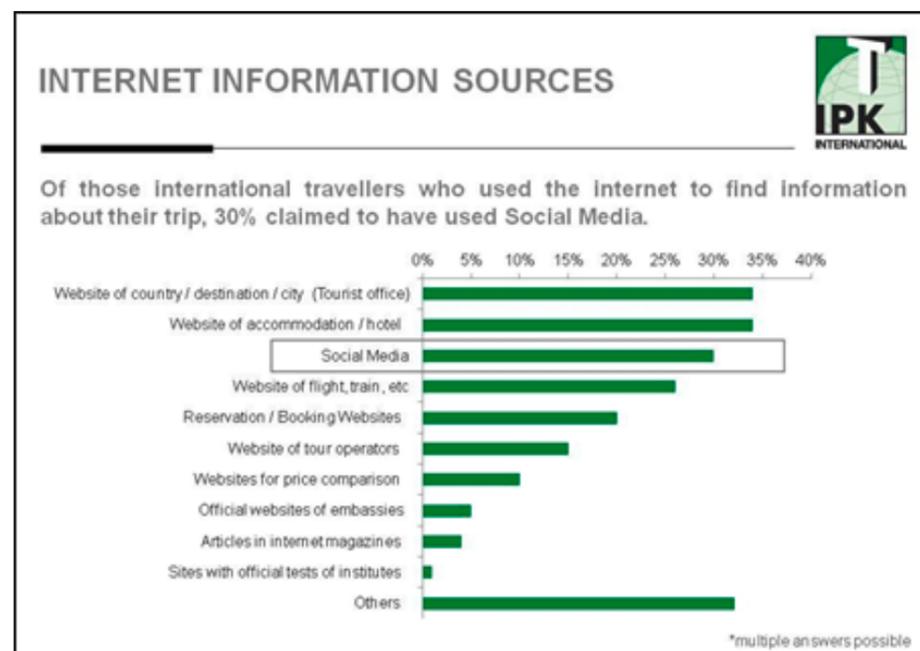
Reviews and blogs play increasing role in travel decisions

Social media now influence nearly one fourth of all international trips, especially travellers' choice of destination and accommodation, according to new figures presented at the 23rd World Travel Monitor® Forum. But the role of the 'sharing economy' in tourism remains controversial.

Social media influence one in four international trips

Social media are becoming more and more important in the tourism business but their influence on travellers varies significantly depending on what kind of information and opinions they contain, according to World Travel Monitor® figures. The number of active Facebook users has now reached an estimated 1.5 billion people around the world while other social platforms such as Twitter, LinkedIn, Google+, WhatsApp and TripAdvisor are continuing to grow steadily in many countries. Accordingly, social media are also very popular with international travellers, and about 70% of them are active social media users, World Travel Monitor® figures show.

For international travellers the internet is by far the most important source of information, with about 75% using online information as part of their trip planning compared to about one third for travel agencies and about one fourth using information from friends. About 30% of these 'online' international travellers actively use social media when researching about their trip, only slightly behind the numbers using websites of destinations and accommodation (about one third) and notably more than those using, for example, airline or tour operator websites, according to World Travel Monitor® figures. (Note: the World Travel Monitor® data covers neutral social media but not online booking platforms that include user reviews.)

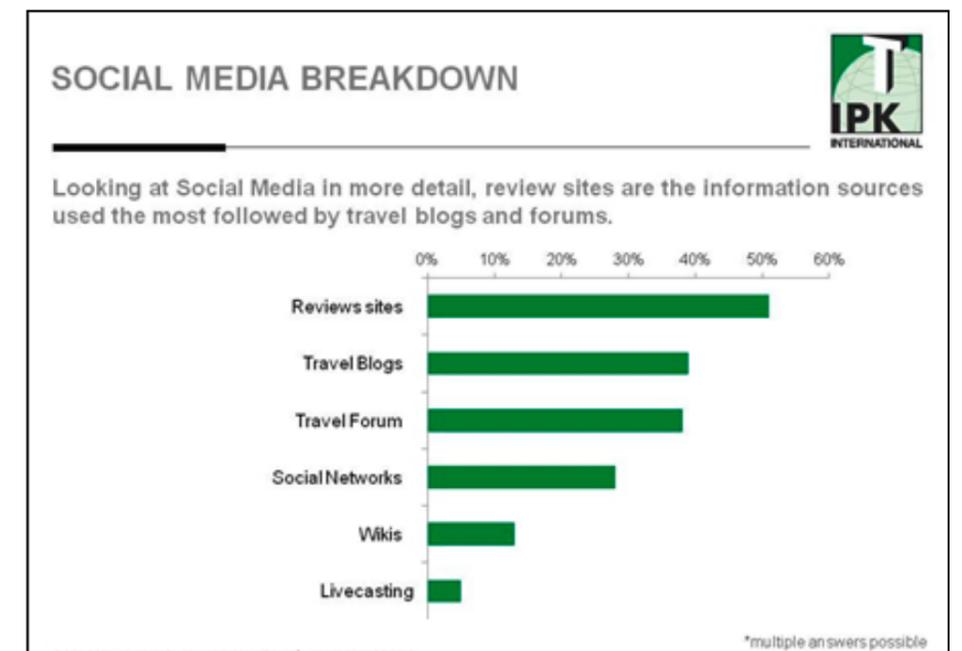


Source: World Travel Monitor® 2014, IPK International

Review sites, blogs and forums influence choice of destination and accommodation

Julia Howacker, Senior Research Manager with IPK International, said: "Overall, more than one fifth of all international travellers use social media as a travel information source. This means social media were involved in the information process for about 235 million international trips last year, which is quite an impressive figure." Travellers use social media to research about all kinds of holidays, although tours score the highest due to their high information needs. Social media are least used for information about health trips, winter holidays and summertime holidays in mountain areas.

International travellers clearly tend to focus on the most relevant social media for travel information rather than the biggest social media platforms. Review sites such as TripAdvisor, travel blogs and travel forums are used much more intensively than general social networks such as Facebook, World Travel Monitor® figures show. "This shows the need for the travel industry to manage or at least monitor user-generated content, and also demonstrates the potential that lies in cooperation with travel blogs or analysing the buzz on review sites as a quality measure for destination management," Howacker commented.



Source: World Travel Monitor® 2014, IPK International

The key question, of course, is whether information on social media is merely helpful or actively influences travellers' decisions about which destination to visit or which accommodation to book. The answer, according to the World Travel Monitor®, is clear. "In general, about 70% of international travellers say that social media influence their travel decisions," Howacker pointed out. The most-used social media – review sites, blogs and forums – influence in particular the choice of destination (nearly 40%) and accommodation (about 30%) but are less important in terms of the holiday type (about 20%).

Many travellers post their experiences on social media

More and more international travellers are also actively posting their holiday experiences on social media, with the percentage now having risen to nearly 50%, according to World Travel Monitor® figures. Most post on review sites while some post on blogs.

“Overall, we can say that review sites and travel blogs/forums are the most influential social media in terms of influencing travel planning and bookings, especially for destinations and accommodation, while social networks are relatively unimportant,” Howacker concluded.

Is the sharing economy good or bad for the tourism sector?

Meanwhile, the tourism industry continues to have divided views about the impact of the so-called ‘sharing economy’ on its business and about accommodation portal Airbnb in particular. Airbnb now offers about 1.2 million accommodations in 34,000 cities worldwide while rival Wimdu has about 300,000 accommodations in 19,000 cities. In transportation, ‘disrupters’ such as Uber or BlaBlaCar have driven off with large shares of the taxi and ride-sharing sectors.

These firms have grown fast but still represent only a small part of the tourism business. For example, the so-called ‘para-hotellerie’ sector has increased its share of worldwide accommodation by more than 40% since 2007 to reach a share of about 40% of international outbound trips last year, according to World Travel Monitor® figures. However, about half of these were holiday homes and most of the rest comprised long-standing ‘alternatives’ such as bed & breakfast, camping, boats and hostels. ‘Sharing’ accommodation, such as through Airbnb, Wimdu or other such providers, still only amounted to a small share of the global total in 2014.

Nevertheless, experts believe that the sector will continue to gain market share through its combination of low prices and social accommodation (as well as social interaction) even though sharing firms face many legal disputes around the world. “The sharing economy’s growth might be reduced by legislation but it’s unlikely to be stopped and very unlikely to be reversed,” commented consultant Alan Roe. By matching unused or spare assets to potential demand, the sharing economy is easy to use, effective and attractive, he commented. At present, sharing tourism appeals more to younger persons but in time could spread to older travellers as well. In particular, low prices are a key selling point. The average cost of a Wimdu property, for example, is just 35 euros per person per night, Roe said. The top five ‘sharing accommodation’ destinations for international travellers are the UK, Spain, France, Denmark and Italy, where there is plenty of private accommodation on offer in major cities, he pointed out.

Tourism experts participating in the Pisa forum had differing views whether private accommodation portals represented a danger to the traditional tourism industry or an opportunity. On the positive side, some pointed out that such portals could provide additional capacity in cities at peak times such as during major trade fairs or large events, thus ensuring that more visitors could come to the destination. On the other hand, others warned that large-scale renting out of city centre accommodation reduced the overall amount of accommodation available for residents and tended to drive up general rental prices.

ITB BERLIN 2016: TIME TO CELEBRATE!

itb-berlin.com



**ITB
BERLIN**

50 years of
excellence

THE WORLD'S
LEADING TRAVEL
TRADE SHOW®



YEARS OF EXCELLENCE

KNOW TODAY WHAT YOU NEED TO KNOW TOMORROW.

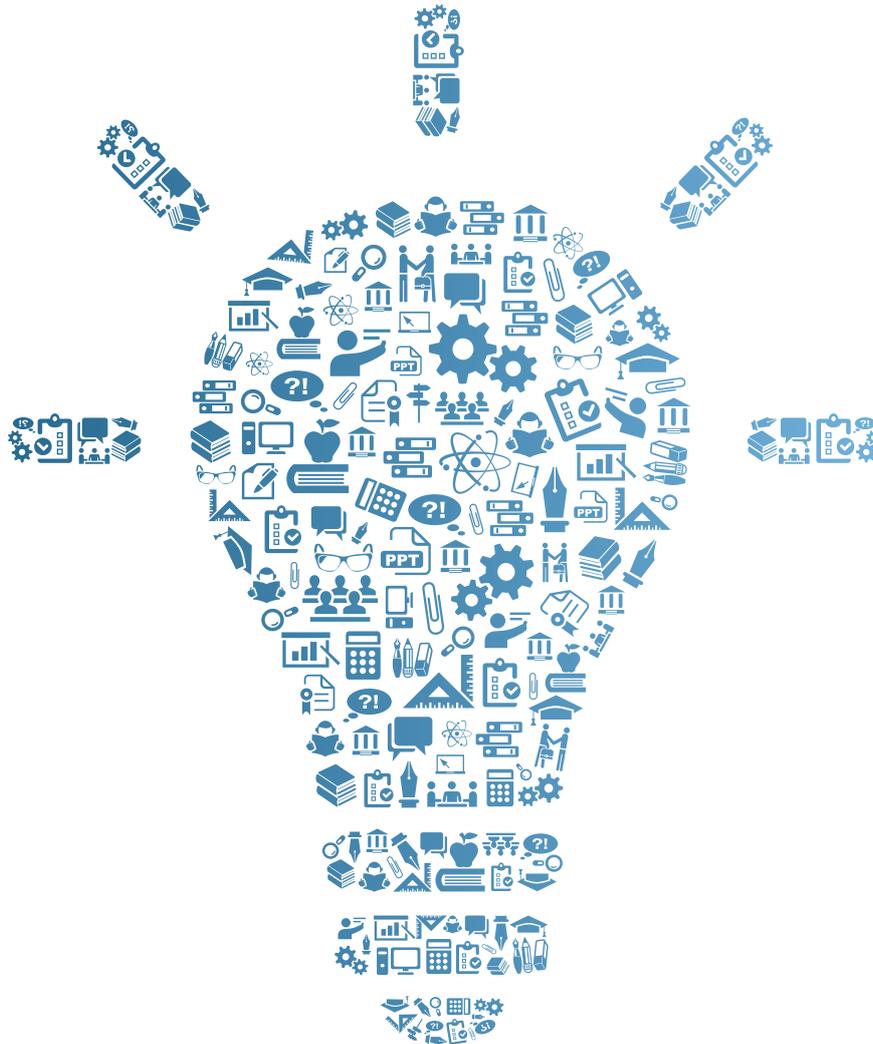
ITB Convention 365 · itb-convention.com



ITB
BERLIN

THE LEADING
TRAVEL INDUSTRY
THINK TANK

CONVENTION



Year-round expertise and industry know-how

- **ITB Academy Webinars** on themes of particular interest are held throughout the year (itb-berlin.com/academy)
- **Video podcasts** of selected sessions are available in the **ITB YouTube Channel** (youtube.com/ITBBerlin)
- Convention Sessions taking place during **ITB Berlin Convention** (9 – 12 March 2016) are streamed live on itb-convention.com
- Released presentations can be downloaded as **PDF File**