



TRANSPORTATION

The increasing availability of high-speed trains and low-cost carriers will influence classical travel flows. Road traffic will face more congestion.

Consequences for the tourism sector:

1. Destinations will increasingly benefit from easy and affordable access for short breaks - in particular when major events are organised outside of the main season.
2. The increasing availability of direct links by train and plane will stimulate demand for international short breaks in cities and city regions, to the detriment of rural areas.
3. The use of high-speed trains for medium distances will take over a large proportion of the travel currently undertaken by scheduled airlines.
4. Road congestion will negatively influence transport by private car - in particular in the high season.
5. Coach trips will decrease in importance.
6. Barriers which result from non-adapted schedules or inter-modal transportation which is not optimally connected will have a stronger negative influence on destinations that cannot meet the growing wish for easy accessibility.
7. Cruises - not only expensive cruises, but also those in 'budget-class' - will increase in popularity, in particular for those over 50 years of age.

SUSTAINABILITY

Environmental consciousness will continue to increase. For tourism, this will result in more demand for sustainable destinations, in which nature and population will play an increasingly prominent role. In order to mitigate the costs for sustainability, the price will increasingly be passed on to the tourists themselves.

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Consequences for the tourism sector:

- 1 The regional component in destinations will increase in importance.
- 2 Destination management policies need to be improved through more coherent and consistent planning.
- 3 The preference for destinations will be more strongly connected to the support given by the local population to welcoming increasing numbers of visitors.
- 4 Regions which have suffered from overbuilding (particularly where this is not in keeping with the natural landscape) will increasingly be rejected as attractive destinations.
- 5 Eco-tourism should not be confused with sustainable tourism.

SAFETY & SECURITY

Acts of terrorism, regional wars, pollution and other crises have unfortunately become facts of daily life, and influence the need to feel safe and secure.

In tourism, this results in an increased need for safety and security, and in tourists avoiding destinations that are perceived as unsafe.

Consequences for the tourism sector:

1. The quality of water (in lakes and pools, but also of tap water) will increase in importance in the selection of the destination, and demands better protection.
2. The more critical tourist will more quickly make claims if the product offered does not meet up to the expected standards.
3. The costs for guaranteeing safety and security will rapidly increase.
4. The industry should be better prepared to meet tourism demand more flexibly in periods of crisis.

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The **European Travel Commission (ETC)** has revised its document *'Megatrends of Tourism in Europe to the Year 2005 and Beyond'* on the basis of ongoing discussions with its members - the National Tourist Offices (NTOs) of Europe - and

advice from the **European Travel & Tourism Action Group (ETAG)**, whose members comprise international organisations representing the key tourism industry sectors.

Changes in society - new ways of travel

Society changes continuously, and trends - whether economic, social or lifestyle - subsequently impact on tourism, as tourism is an integral part of our society. It is important for the tourism sector to assess these changes at an early stage. Existing policies regarding products and services, marketing and investments, all demand appropriate adjustments or adaptations when preferences and behaviour develop differently from the way they have done in the past.

In the past, supply has always dictated demand, whereas today the reverse is true. Increasing saturation of the market and more self-assertive consumers, with more free disposable income and leisure time, determine the profitability of suppliers in the tourism sector. Competition is becoming more volatile. Although some trends are supply-funded, it is also important to forecast trends in demand, as these trends form the basis for determining the time and money required to make the relevant adjustments.

In this overview, we consider trends to be future developments that differ significantly from the past - both quantitatively or qualitatively. The main objective of this analysis is to support suppliers in their longer-term policy making. The trends mentioned relate to Western society - and to Europe in particular for the next five years. They are based on various quantitative and qualitative trend analyses and assessments made by leading international tourism experts.

Finally, analysing trends leads us to the conclusion that every trend creates a counter-trend. Furthermore, it should be stressed that, in many cases, trends are mixed: mixed in terms of their phase of development, mixed in results and mixed in the level of importance. Given this fact, it is nearly impossible to isolate tourism development into single trends alone.

Trends

DEMOGRAPHY

The number of persons in older age categories will rapidly increase. Seniors will be healthier and will have higher disposable incomes than in the past. Many of them will enjoy early retirement schemes.

In view of this development, the number of more experienced senior travellers will increase faster than the development of tourism demand in general (although a gradual downgrading of pension benefits, and a trend to increase the pensionable age may slow down this development in the long run).

- Consequences for the tourism sector:
1. Increasing demand for quality, convenience and security.
 2. Increasing demand for easy transportation.
 3. Increasing demand for more relaxing entertainment facilities (e.g. golf courses etc.).
 4. Increasing demand for one-person products.
 5. More demand in shoulder months.
 6. In marketing, less emphasis should be put on age and more on comfort.

The average number of persons per household will decrease still further, which will result in higher disposable incomes and spending power.

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For tourism, this will influence demand in general, and demand for long-haul travel and short breaks in particular.

Consequences for the tourism sector:

1. Increasing demand for luxury ('small indulgences').
2. Increasing demand for special products which can be obtained on impulse.
3. Increasing demand for city-breaks and other short breaks abroad - in periods that used to be less favoured.
4. Higher level of interest in winter sun holidays.

HEALTH

Health-consciousness will increase still further.

Though increasing health-consciousness will not influence the volume of demand, it will certainly influence the decision-making with regard to destinations, and behaviour during holidays.

Consequences for the tourism sector:

1. Destinations that are perceived as less healthy will be more quickly avoided than in the past.
2. The demand for sun-holidays only will decrease still further.
3. Active or activity holidays will increase in popularity, and the demand for facilities that correspond to this type of holiday will be increasingly preferred.
4. The demand for 'wellness' products will increase, including spas and fitness centres.

AWARENESS & EDUCATION

The average level of education is increasing.

This will result in holidaymaking in which the arts, culture and history play a more important role, including more educational and spiritual holidaymaking.

Consequences for the tourism sector:

1. Increasing demand for special products.
2. The more prominent inclusion of elements relating to the arts, culture and history in package tours and self-organised holidays.

3. The need for better and more creative communication of information.
4. Demand for new destinations in Central and Eastern Europe will increase.

LEISURE TIME

Modern society exerts increasing pressure on peoples' daily lives, and stimulates the wish for more leisure time and relaxation - which will have an adverse effect on the increase of free disposable incomes. For tourism, this trend is thus by definition unfavourable - also because the increase in the number of days of paid leave for holidaymaking has come to a halt.

Consequences for the tourism sector:

1. An increasing need to supply additional low-cost products.
2. An increasing need to offer relaxation.
3. A shortening of the longer main holiday in favour of more short ones.

TRAVEL EXPERIENCE

More sophisticated consumers are increasingly self-assured regarding their needs and rights. For tourism, this results in an increasingly critical attitude to quality, and to the price-quality ratio.

Consequences for the tourism sector:

1. Alternative ways of spending time and money will increasingly compete with holidaymaking, and within holidaymaking the preferences for destinations and accommodation.
2. Destinations that do not meet up to acceptable standards will suffer more intensely, and for a longer period of time in future.
3. More mixed behaviour: this holiday simple, the next one luxurious - this year long-haul, next year short-haul.
4. Holiday preference will become more fragmented in future, and thus influence repeat volumes.
5. Destination fidelity will continue to decrease over the years.
6. More experienced tourists will increasingly result in a more critical attitude to the artificial, in favour of greater authenticity - in particular with reference to emotional satisfaction and the need

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to personalise; artificial supply that does not distinguish itself from others (e.g. theme parks) will decrease in importance if it does not meet with higher standards.

7. Experience and critical attitudes will stimulate tourists to revisit satisfactory destinations from their travel past.
8. The increasing preference for mobility will stimulate rentals of vehicles.
9. Regions that offer a full, varied, totally balanced concept will be increasingly preferred, and will demand better destination management.

LIFESTYLES

Lifestyles in Western society change gradually.

For tourism, this influences the tourist's perception of his/her personal needs and behaviour.

Consequences for the tourism sector:

1. Though relevant investments may be made, the interest in 'Bed & Breakfast' is lessening, since it is regarded as cheap.
2. As 'status' is less important than it used to be, leisure behaviour is becoming more personalised, leading to increased demand for smaller sized accommodation units (like smaller authentic family hotels and tourist farms).
3. The shift in perception regarding life and lifestyle results in a decline in the demand for fully escorted tours.
4. Suppliers will benefit more if they are able to create completely new products, concepts and services that distinguish themselves by their added value.
5. Increasing specialisation by suppliers in relation to specific hobbies and interests will become more important, and will more often be combined with holidaymaking.
6. The increased preference for solid 'anchors' as secure holds in a more uncertain world stimulates the wish to possess second homes, also in areas close to smaller regional airports.
7. The trend of 'back to basics' results in preferences for more simple holidays: from hotel to bungalow, from caravan to tent.

INFORMATION TECHNOLOGY

The penetration of the internet - and its use for information and the purchasing of tourism products and services - will continue to increase.

For tourism, the role of the internet - including new means of visual presentation - will increase still further, and will prove to be of the utmost importance in future.

Consequences for the tourism sector:

1. The ready availability of tourist information on destinations and products, and increasingly sophisticated search engines to analyse such information will lend itself to comparison, and thus influence competition more intensively via 'grazing'.
2. Experienced tourists will increasingly put together their own holidays on a modular basis with direct bookings.
3. The role of travel agents will decrease, as full package tours are increasingly bought directly via the net.
4. Internet will transform the classical role of the National Tourism Organisations (NTOs) and Tourist Boards at an increasing speed - but will create a new role in e-marketing, including the application of Customer Relation Management (CRM) destination marketing.
5. Destination marketing (e.g. better branding with public support) will increase in importance as the source to stimulate website visits.
6. The availability of in-depth information on suppliers' products, either on the destination site or accessible through links, will become of more importance as the basic precondition for the success of websites.
7. The possibility of 'shopping' via the internet will stimulate later bookings.
8. The growing need for secure online reservations has to be stressed in relation to more experienced and self-assured tourists.