GEOGRAPHICAL AND ACTIVITY-BASED MARKET RESEARCH FOR CROATIA

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This publication was produced for review by the United States Agency for International Development. It was prepared by Alan Saffery.

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Introduction

This report comprises the deliverables for the consultant's assignment researching and analyzing geographical and activity-based market potential for Croatia.

The first part of the report examines the European tourism industry and outlines trends and forecasts for the future. This is followed by a review of Croatian Tourism in light of the European trends.

The third part of the report analyses the profile of outbound tourists from major European markets, Canada, the USA and Japan.

Major activity-based market segments with potential for growth in Croatia are detailed in the fourth section of the report. A market profile of the segment, analysis of the segment in Croatia, SWOT analysis and recommendations for development of each segment are provided.

The final section of the report highlights areas of additional research that could be undertaken and constraints that may occur in the process of research.

Given the nature of the tasks the consultant was given and the available timeframe, it has not been possible to undertake much primary research. The contents of the report are therefore made up largely of existing documents and surveys. The consultant has attempted to cite references for much of the information used, however where this has not been provided, the consultant makes it clear that he does not claim content as original or his own.

Trends in the European Travel Industry

Adapted from 'European Tourism Insights 2004, Outlook for 2005: A Report produced for the Research Group of the European Travel Commission by the Travel Business Partnership'

European Tourism Performance

Preliminary estimates from the World Tourism Organization (WTO) suggest that, after three lackluster years, demand for tourism in Europe bounced back, in 2004, as expected, resulting in an estimated 4% increase in arrivals over 2003.

Europe's 4% rise might seem disappointing set against the 10% world average –not to mention the strong double-digit growth rates for three of the four other world regions. But it is important to put the region's results into perspective.
Europe is the world's most mature destination region, so it cannot reasonably expect the kind of growth rates enjoyed by some of the emerging tourism regions such as Asia. Despite all the new competition, Europe still accounts for some
55% of total international arrivals worldwide and – most importantly – for around
50% of global international tourism receipts (expressed in US dollars).
At the same time, it is important to point out that WTO's data is also preliminary, and some of its estimates for arrivals are based on trends in overnights in commercial accommodation only, or even just hotels. The latest growth trends filed by ETC member NTOs on TourMIS would suggest that WTO's estimates are overly cautious. Based on data for some 22-23 countries, TourMIS points to a growth of over 7% in arrivals and 3% in overnight volume for Europe.
Time will tell which estimates are closer to reality.

According to available preliminary figures, the growth in international tourism receipts in 2004 appears to have lagged behind that of arrivals. Although long haul travel into Europe showed above average growth rates last year – and this will have boosted spending by visitors – average spend per trip was probably more influenced by the increased share of short trips taken by Europeans. As a result, the total rise in international tourism receipts is estimated at around 3% over 2003's €252 billion. Since 2000, the last 'normal' year of tourism, international tourism receipts have risen by a total of 4.5%, or a modest 1.1% a year. The increase in 2004 will hardly have made up for the decline in 2003.

Detailed statistics for 2004 are not yet available, but anecdotal evidence and actual trends out of some key markets suggest that leisure travel is driving the revival in tourism demand – not just for Europe, but also for other major tourism regions. Business travel is also recovering, but at a much slower pace. Business travel in Europe is still underperforming. IPK International's European Travel Monitor (ETM) points to a very modest 1% increase in outbound business trips by Europeans in the first eight months of 2004. This compared with a 10% rise in holiday trips abroad, or a 5% rise in leisure travel overall – holidays, visits to friends and/or relations (VFR travel) and trips for other private reasons. Of course, the statistics do not take account of someday business trips, which are increasing within Europe, but which are not covered by most industry statistics.

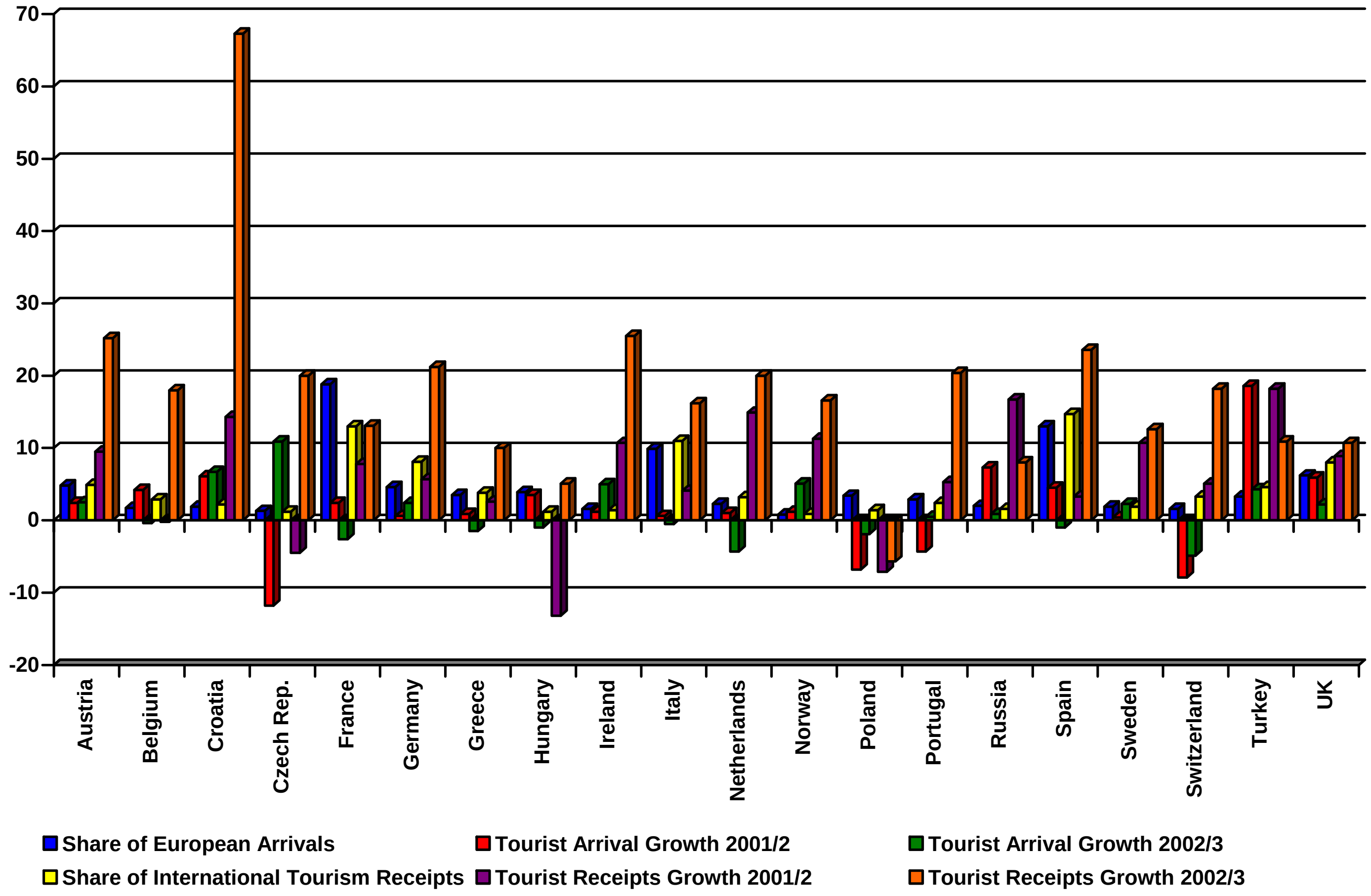
In terms of leisure segments, the growth in short-breaks continues to outpace the growth in outbound travel generally. Nevertheless, long-haul travel, which has suffered a drop in demand since 11 September 2001 – both into and out of
Europe – showed clear signs of revival in 2004. Although this has largely benefited Europe – key long-haul sources such as the USA and Japan have registered healthy growth – it has also had a negative impact as Europeans once again look to destinations beyond Europe.

Annual growth rates for European tourism – both in terms of arrivals and overnights – have fluctuated quite sharply over the past ten years, with arrivals almost always outpacing overnight volume. The growth in nights was higher in only one year – 1999. 2004 looks like being the best year for European tourist arrivals growth since 1994. However, overnight volume that year increased by only 1%. Europe's total arrivals count includes a very high share of intra-regional flows – 88%, according to WTO figures, as against 6% for arrivals from the Americas, and 4% from Asia Pacific. As far as travel flows within individual sub-regions are concerned, the share of intra-regional flows is even higher in some cases, e.g. within eastern and southern Europe (94%). Despite the rapid growth of air transport, the dominance of intra-European traffic still favors the private car as the major means of travel in Europe, especially to and within western and central / eastern Europe. Road transport accounts for 54% of total arrivals.

The five most visited destinations in Europe – France, Spain, Italy, the UK and Austria – accounted for as much as 54% of total international arrivals in the region, and the top three for 43%. Four of the same countries – but with Germany replacing Austria – feature among the top five destinations in terms of international tourism receipts. But Spain leads, ahead of France, Italy, Germany and the UK. Together, the five generate 55% of total international receipts registered in Europe. Once again, there were mixed performances from one destination to another in 2003. Croatia achieved the best growth, ahead of Macedonia, Bulgaria and Latvia. And France and Italy suffered declines.

Countries that grew in arrivals at double the world average in the period 1995-2002 and increased overall arrivals by more than 150,000 during the same period are classified by the WTO as Emerging Tourism Destinations. Europe sees 11 emerging destinations – Azerbaijan, Uzbekistan, Georgia, Estonia, Lithuania, Serbia & Montenegro, Slovenia, Turkey, Finland, Ukraine and Croatia. Of these 11, Croatia sees the second largest percentage increase at 24.7% just behind the leader Azerbaijan. Incidentally, the other neighboring countries to Croatia managed only a maximum increase of 10.2%.

Figure 1. Individual country share of all European Arrivals, Arrival growth in 2001/2 & 2002/3, Individual country share of all European Receipts and annual growth in 2001/2 and 2002/3



Key trends in 2004

The main winners in terms of tourism growth last year were emerging destinations in central and Eastern Europe – and notably Estonia, Lithuania, Bulgaria, the Czech Republic, Romania and Slovenia. Hungary also achieved a strong growth in arrivals, but overnight volume increased less impressively. Of course, some of the anomalies in terms of trends between arrivals and overnights are due to the different measures used. Other destinations to record above average increases were Turkey – after slower growth in 2003, it again became a best seller for holiday packages – and the UK.

Outbound travel trends

According to IPK International's European Travel Monitor (ETM), trends identified in the first eight months of 2004 in European outbound travel demand continued through the remainder of the year. Full-year results will not be available until mid-March 2005, but there are unlikely to be any significant changes in growth trends out of individual markets or destinations.

To put the trends into perspective, it should be noted that Europeans made 338 million trips abroad in 2003. Of these, 290 million (86%) were for leisure purposes and 48 million (14%) for business – 30 million traditional business trips and 18 million for meetings, incentive travel, conferences and exhibitions (MICE).
As already indicated, business travel recorded only a modest 1% growth in the first eight months of 2004, according to the findings of IPK International's European Travel Monitor (ETM). And the MICE segment stagnated, continuing the trend of the last few years.

Leisure travel, on the other hand, grew by 5% – holidays were up 10%, while VFR and other private trips declined by 10% – resulting in an overall growth of 4% for European outbound travel. Overnight trip volume was down 4% due to a further reduction in average length of trip, and total spending increased by 2%.
This means that spending per trip fell by 1% while spend per night rose by 7%.

Last year's performance was influenced by a number of factors, namely the strong (and appreciating) euro, the improved economic situation in many countries, the widespread availability of low-fare/no-frills flights and – probably to a much lesser extent – the more normalized weather patterns in Europe and the Mediterranean in summer 2004.

The strongest growth markets surveyed by the ETM in the first eight months of
2004 were Spain and Russia – both registering more than 10% growth over the same period in 2003. Belgium, the Netherlands, Italy and Sweden each recorded increases of between 6-10%, and France, Germany and the UK between 2-5%. Switzerland and Austria both suffered declines in demand, albeit modest.

Although the British market benefited from the appreciation of sterling against the euro – at least in the first half of 2004 – the market was fairly sluggish last year – probably due to the fact that it recorded above average growth over the last few years. Growth out of France and Italy – where the level of outbound trip taking is still relatively low – was largely at the expense of domestic travel. As already indicated, the price transparency brought by the adoption of the euro, together with the much greater availability of price comparisons through the internet, have made people much more aware of what constitutes value for money.

Some 88% of total European outbound trips are for destinations in Europe and other Mediterranean-bordering countries. In the first eight months of this year, these short- and medium-haul destinations attracted 3% growth out of Europe, as against 1% in the same period in 2003.

Booking patterns

Use of the internet for online booking as opposed to simply 'looking' – gathering information prior to booking a trip – has been growing very fast in Europe, mainly to the benefit of European destinations. In the first eight months of 2004, according to the ETM, the number of trips involving online bookings increased by 39% in the ten top markets surveyed. This means that 27% of total outbound trip volume in these markets involved online booking for at least part of the trip. The equivalent share was just 19% in 2003.

Clearly, the incidence of internet bookings among the smaller, less mature European markets is much lower, but it is growing fast – much faster, in fact, than online travel 'looking'. Although the travel trade still dominates as far as travel distribution is concerned – of all European pre-booked outbound trips in the first eight months of 2004, 45% involved a travel agency and/or tour operator – some 30% were at least partially booked online. Of the total online bookings, 40% were for air travel, 35% for accommodation and 25% other services (car rental, ground excursions, insurance, etc).

A comparative analysis of booking patterns between the British, French and Germans – based on the ETM findings for the first eight months of 2004 – suggests that the British are most likely to use the internet. They even make their bookings online more frequently than they do through travel agencies. Germans are the least likely to book online, but they are nonetheless the most frequent bookers of accommodation online (of the three markets). And the French are most likely to book complete package tours via the internet.

Outlook for 2005

A survey of European Travel Commission (ETC) members for the purposes of the report, *European Tourism Insights 2004 – Outlook for 2005*, shows that there is widespread optimism regarding Europe's tourism prospects for 2005. No member NTO said it expected a decline in tourism demand for its respective destination, and all but two of the NTOs that responded to the survey said they expected growth, albeit at a lower level in most cases than in

2004. Austria and Cyprus project a similar level of arrivals in 2005 to that attained last year, although no forecasts are available for overnight volume.

The current world economic recovery is widely considered to be sustainable, even though it will be uneven from one region and country to another. Growth in Europe's economy is expected to slow this year, especially in the eurozone, as governments tighten fiscal policies. However, the accession of ten new members to the EU, many of them with high rates of economic growth, is generating new opportunities for intra-regional, and for that matter inter-regional, travel. Economic indicators in key source markets are generally positive for 2005.

ETC Research Group members agree that price will continue to be a major factor influencing outbound travel decisions in the foreseeable future. As already indicated, demand for outbound travel closely follows exchange rate shifts, albeit with a certain time lag. The rising euro, which is expected to appreciate further over the next 3-4 years – notably against the US dollar but also, to a lesser extent, other currencies – could have a significant impact on choice of destinations and type of holidays for travelers from all key markets. Asians (many of whose currencies are linked, loosely or tightly, to the US dollar) may be discouraged by the high costs of euro-denominated travel and EU residents may prefer to travel outside the eurozone. But some key Asia Pacific markets are not pegged to the US dollar – e.g. Japan, South Korea and Australia – and Europe should watch out for China if/when the Yuan is revalued.

Some countries are also concerned about excessively high VAT rates. Ireland and Italy, where VAT rates are higher than in all other parts of Europe, believe that their hotels and restaurants are finding it increasingly difficult to compete. The situation is exacerbated because of the increased price transparency resulting from the widespread adoption of the euro in EU Europe. Suppliers are under pressure to maintain rates and to provide a more level playing field. One of the big disadvantages of today's travelers being so internet-savvy is that they are increasingly armed with the technology to drive harder bargains.

While many of the changes in market demand seen over the past few years have been a direct response to 11 September 2001 and more recent events affecting tourism, these events have also acted as a catalyst, leading to a more fundamental shift in consumer and travel market behavior. And the message from 2004 is clear: the market will continue to change over the foreseeable future. It is up to suppliers – destinations/NTOs, hotels, inbound tour operators, or other stakeholders – to adapt their products and marketing to respond to this constantly changing market.

Among the key trends to watch out for in 2005:

- While there are continuing concerns over safety and security in some markets – notably the USA – it is clear that people are growing more accustomed to living in an unsafe world. Tourism demand bounced back very quickly after the Madrid bombing in March 2004, for example, and tourism demand is expected to recover reasonably rapidly for the main tourism destinations affected by the Asian tsunami.

- People are continuing to take shorter and more frequent trips, but long-haul travel demand is definitely on a growth path again.
- The growth in demand for no-frills airlines has been unprecedented, and it is likely to continue unabated as new carriers emerge (even if their existence is in many cases of short duration), and as people continue in their search for 'good value'.
- Tourists are also increasingly looking for an experience – say, the opportunity to carry out a particular activity – rather than selecting a specific destination. This means that NTOs and other destination management organizations will need to be much more creative in their marketing and promotions. Demand for authentic experiences, including local culture and closeness to nature, continues to increase, especially among the older age groups. Also of growing importance are wellness – prevention is better than cure! – and educational programs, which allow people to improve their knowledge while on holiday.
- Consumers are less and less loyal to suppliers and are increasingly unpredictable. They may combine five-star deluxe accommodation with a no-frills flight, say, or have fast-food snacks one day and a slap-up meal the next.
- Although the leading tourism groups believe the package tour is a long way from being obsolete – even if demand is increasingly for partly packaged, or customized, holidays at the expense of traditional all-inclusive tour packages – the winners of the future will be those destinations and suppliers that develop user-friendly websites allowing for direct bookings and dynamic packaging.

Current Status of Croatia's Tourism Industry and Future Prospects

Croatia received a total of 7,408,590 non-resident tourist arrivals in 2003 as measured by stays in all types of tourism accommodation. This represents an increase of 6.69% on the previous year. In terms of total visitor arrivals, Croatia saw a total of 42.8 million, an increase of around 2.7%.

The majority of tourists were from Germany (20.95%), Italy (16.27%), Slovenia (12.40%), Austria (9.56%), the Czech Republic (9.44%), Hungary (4.81%) and Poland (3.21%). Average length of stay is 5.3 days (2003), down from 5.4 in 2002). 34% of arrivals were part of an organized package. The peak season was from June to September, with lengths of stay as high as 8.08 nights.

Figure 3. highlights Croatia's major source markets, those countries showing most growth in the short term (2002-2003) and those countries that have shown growth in the longer term (1999-2003). As the graph clearly shows there is no apparent correlation between importance of market and short or long term growth.

Most visitors to Croatia arrive by road as figure 2 shows.

Figure 2. Arrival in Croatia by means of transport used (2003)

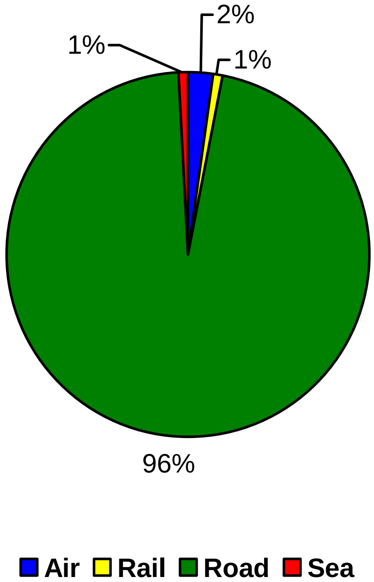
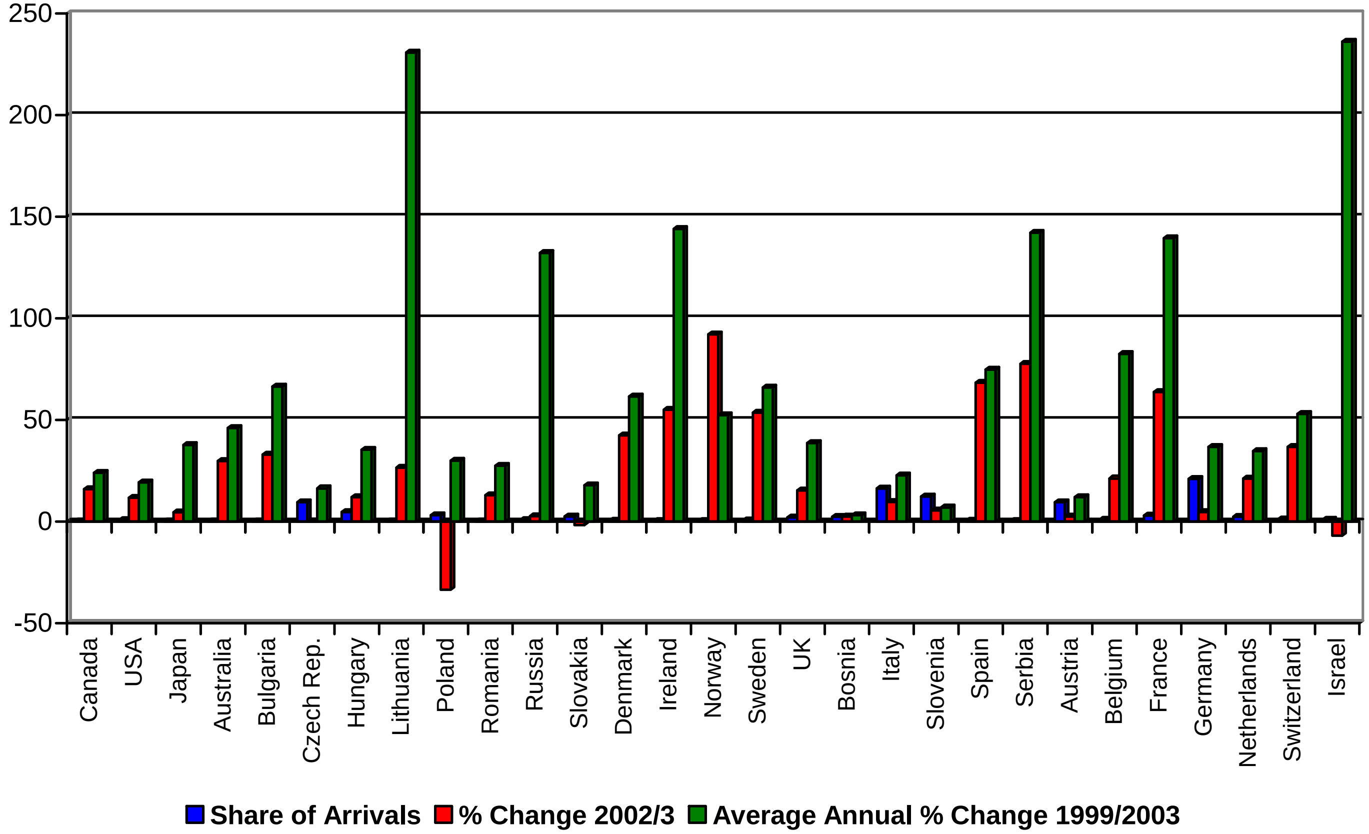


Figure 3. Market share of international arrivals to Croatia, changes in international arrivals between 2002/3 and 1999/2003



The WTO states that tourism expenditure in-country currently stands (2003) at US$ 6.5 billion. This is an increase of 66% on 2002.

The World Travel & Tourism Council forecast that Croatia will see an annual growth in travel and tourism GDP of 7.4% for the next ten years and an increase of 3.7% per year in employment. Total tourism demand is expected to increase at a rate 50% higher than the world average and 4.2% higher that expected for the EU. In their 2002 report ‘Croatia: The Impact of Travel & Tourism on Jobs and the Economy’, the World Travel & Tourism Council highlight the importance of the following:

- A more coordinated approach in planning, involving the government, private sector and local communities
- Improving Croatia’s travel and tourism research and forecasting in terms of quality and quantity
- Expanding and renovating Croatia’s hotel infrastructure to include a greater number of 3-5 star hotels
- Increasing levels of tourism investment
- Improving road transport infrastructure in certain regions
- Diversifying tourism products and services in the areas of agritourism, wine tourism, cultural holidays, adventure tourism and MICE
- A more enhanced promotional campaign
- Protecting the natural environment through voluntary accreditation schemes and regulation
- Removing the stigma that Croatia has of being a low cost destination

The report goes on to explain how the World Travel & Tourism Council believes these issues can be addressed.

One of the constraints that Croatia suffers is its seasonality of demand. According to the WTTC, the three months of June through August account for as much as 78% of arrivals. Lengths of stay during the peak season are also higher; up to 7.3 nights against 2.3 nights in November.

66% of visitors to Croatia arrange travel independently with just one third participating in organized tours or partly organized tours arranged through tour operators or travel agencies. 64% of visitors to Croatia have made a repeat trip.

A 2001 survey of tourists from source markets into the attractiveness of Croatia showed that the most people came because of sun and beach holidays, marine/nautical holidays and touring. Away from the coast, there was demand for culture, relaxation and nature. Croatia’s main competitors are considered to be Spain, Italy, Turkey and Greece.

Importance of Current Tourism Trends to Croatia

Examining European trends against the currents state of Croatia's tourism industry highlights some important points.

There are already a number of no-frills airlines flying into Croatia and it is possible that the number of cities served and frequency will increase. This will open up the country more widely allowing tourists to travel to inland locations. However, although arrivals may increase, the length of stay is likely to continue to decrease as tourists embark on more frequent short break holidays. This will put pressure on Croatian enterprises to offer higher value experiences for clients. This is particularly relevant since the European trend is for less spending.

The fact that tourists are looking more at activities than destinations means that Croatia must concentrate more on promoting tourism opportunities with the country rather than the country itself. Products must be clearly defined, unique and attractive to particular niche segments. They must offer the client choice and an experience. A simple beach holiday may not be enough to compete with Spain, Italy and Greece. Adventure tourism, culinary and wine tourism, cultural tourism and city breaks will have to become a main feature of holidays to Croatia.

The transport infrastructure has seen significant improvements in the past few years. However, the high number of visitors arriving by road and the increased interest in tourism products that fit in with self-drive transportation means that Croatia may see a demand for more services and facilities along transport routes. This could include increased and better signage, more rural food outlets and car parking in tourist centers.

Although the tour operator industry seems stable and therefore continually penetrable, the rise in internet-organized travel can not be ignored. Since it is difficult for individual enterprises to market themselves widely on the net, the emphasis is for them to work collectively to be able to provide online booking facilities for accommodation and transport. Additionally, accommodation and other service providers will need to investigate new and existing online retail portals to promote themselves.

Few disagree that European outbound travel will steadily rise. Croatia can take advantage of the upward trend but must they must take notice of market changes.
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Geographical Market Profiles

Understanding the characteristics or originating tourism markets is crucial for success in attracting a greater number of higher paying more discerning visitors and doing business with overseas tourism operators. Croatian enterprises must keep abreast of changes in the tourism industry and from the generating markets. Hence, detailed profiles of several outbound markets have been developed and are presented in annexes to this report.

The success of a destination will lie in its ability to meet the specific needs of clients and understand fully the culture from which they come. Additionally, destinations have to take into consideration the propensity of their potential clients to travel, size of originating market and the expenditures they undertake. For example, a useful statistic is the level of international travel per 100 of the population as shown in the diagram below:

Figure 4. Trips Abroad per 100 of Population of Various European Markets

Country	Austria	Czech Republic	Denmark	Finland	France	Germany	Hungary	Ireland	Italy
Trips abroad per 100 of population	57	353	96	122	32	90	110	100	37
	Netherlands	Poland	Russia	Spain	Sweden	Switzerland	Turkey	UK	
Trips abroad per 100 of population	89	138	13	10	118	170	7	98	

Source: Travel Business Analyst (www.travelbusinessanalyst.com)

Although there is widespread information about inbound clients to various destinations, there is little detailed information on outbound travelers. The WTO has produced market profiles of Spain, Scandinavia, Australia, Belgium and Japan which have been used in this report as a template for examining other markets that are of potential interest to Croatia. However, these reports are now some five years old. For other originating markets, data on outbound travelers and their characteristics is sparse. Given the timescale available, it has not been possible to undertake large studies of markets. Instead, outbound market profiles annexed to this report gather together existing research, where available, to attempt to give an overview. The information has been compiled from a number of national tourism organizations such as Tourism Australia, Tourism BC Canada, the Japanese National Tourism Organization and VisitBritain. Other important sources include Industry Canada, JATA, the European Travel Commission and the World Tourism Organization. As mentioned above, the consultant has attempted to highlight the sources used yet where this is not the case clearly declares that the information is not passed off as his own original research.

In addition to giving an insight into each market, the outbound market profiles also identify, for many of the countries, cultural and business considerations, useful media contacts, and public and school holiday periods.

IPK International has done significant research in studying outbound markets from over 50 countries. Further detailed and up-to-date information could be obtained from them (www.ipkinternational.com/travel_monitor.php) at a price.

Another international research organization, Mintel (www.mintel.com), similarly has up-to-date information on both geographical and activity based markets.

The market profiles of countries developed for this study are those considered to show some potential for Croatia. Each country has a market share of currently more than 0.22% of arrivals. Although Bulgaria, the Czech Republic, Hungary, Lithuania, Slovakia, Slovenia, Serbia and Israel also have a market share of more than 0.22% they are not included in the list of profiles due to lack of information available. Two long-haul destinations are included within the study; Japan, Canada and the US. Although Australia does have slightly more than 0.22% of market share in arrivals it is not included because of its long-haul nature and the fact that most arrivals are intra-regional.

Profiles of Specialty Travel Segments

Many of the geographical market profiles have pointed towards the fact that tourists are now seeking unique travel experiences. Additionally, there are obvious trends towards new touristic products. Those highlighted in the World Travel and Tourism Report on Croatia as having the greatest potential included wine tourism, agritourism, adventure tourism and MICE.

In order for Croatia to compete successfully with Greece, Spain and Italy, it needs to offer unique products designed for particular types of people and utilize efficient and cost effective distribution channels.

During the consultants visit to Croatia, he examined in detail Croatia's marine tourism, wine & culinary tourism and agritourism sectors. What follows is an analysis of those segments. Firstly a profile is presented outlining traveler interests/expectations and motivations. This is followed by a review of Croatia's activities in the segment and a brief SWOT analysis. Recommendations are then given including, where relevant, market channels, product development strategies, suitable travel fairs and policy considerations. A sample of outbound operators relevant to the segment and sample itineraries is provided.

Marine Tourism

(Adapted from "Marine Tourism: Development, Impacts and Management" by Mark Orams, Routledge, 2002)

Market Profile

"Marine tourism includes those recreational activities that involve travel away from one's place of residence and which have as their host or focus the marine environment (where the marine environment is defined as those water which are saline and tide affected)."

A diverse range of businesses forms the marine tourism industry. Those directly associated with marine tourism include small, one-person operations such as charter fishing boat operators, sea-kayak tour guides and scuba-diving instructors. They also include moderate sized private companies like whale-watch cruise operators and charter-yacht companies, and large multinational corporations such as cruise ship companies. An even greater number of businesses and agencies are directly associated with marine tourism. Examples include boat maintenance shops, coastal resorts, scuba-tank-fill shops, windsurfer rental agencies, fishing equipment suppliers, island ferry services, souvenir collectors, artists and even rubbish collectors. Government agencies also have an important role in the monitoring and management of marine tourism; examples include marine park management authorities, fisheries control agencies, tourism marketing and promotion bodies, law enforcement agencies and marine safety operations. In addition there are many non-profit groups that form an important component of the industry, such as clubs for scuba diving, surf lifesaving, yachting, windsurfing, surfing and fishing. Environmental groups are also important stakeholders within the industry. Thus it is both large and diverse. There is no estimate on the value of the marine tourism industry however there is no doubt that the annual turnover is substantial and that it forms a significant business sector with widespread economic influence. This is particularly so for island and coastal communities where marine tourism can form the single most important economic activity. Because so many businesses, government agencies and other organizations are involved in marine tourism it is difficult to define the industry tightly.

Because the range of activities that can be considered to be included under marine tourism are diverse, so are the types of people engaging in marine tourism. However, there is evidence which shows that marine tourists do differ demographically from the general population. It can also be argued that the motivations of marine tourist may be different from those that are detailed for the wider industry. These motivations and the experiences that participants seek are directly influenced by the medium in which the activities occur, namely the sea. Motivations for marine tourism may include:

- Desire to see what is over or under the horizon
- Climate of typical marine destinations
- Seeking personal reward, fun, challenge and excitement
- Escaping social and physical routines (People are motivated to attain stimulation and excitement in their leisure activities when they are bored or under-stimulated in their own endeavors, whereas those who are overworked, stressed or over-stimulated are motivated to find relaxation and passivity in their leisure time.
- Closeness to nature
- Need for solitude and peace

There is a distinct lack of research on the demographics of those engaging in marine tourism activities and therefore only generalizations can be made. Most of the activities which are perceived as being more adventurous or having higher risk of injury, such as surfing, windsurfing, sailing and scuba tend to be dominated by males and younger age groups. Those activities that are either passive, wildlife based or social tend to be dominated by older age groups and in some cases females. Most marine activities tend to be patronized, relative to land-based recreational pursuits, by upper socio-economic groups. This is understandable given the significant cost of equipment associated with marine activities.

However, there is no doubt according to the academic journals that marine tourism is set to increase significantly. As Hall (2001) points out, “Ocean and coastal tourism is widely regarded as one of the fastest growing areas of contemporary tourism. While tourism development has been spatially focused on the beach for much of the past 50 years, as witnessed for example, in the slogan of the four ‘s’ of tourism ‘sun, sand, surf and sex’ the ocean and the marine environment as a whole has become one of the new frontiers and fastest growing areas of the world’s tourism industry.”

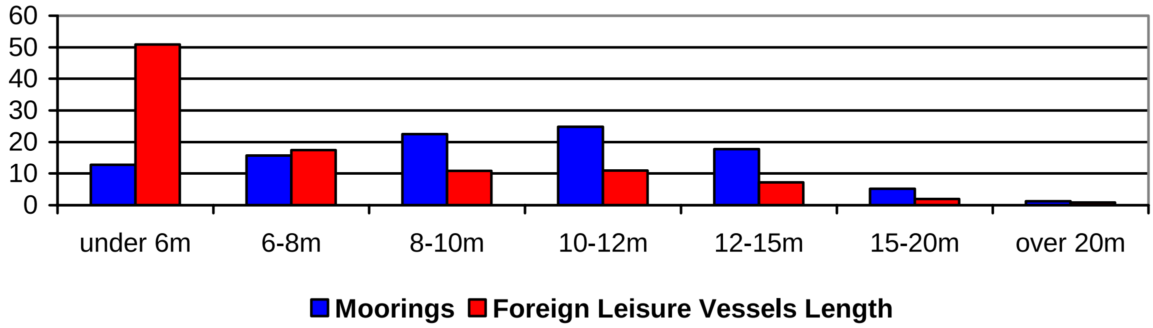
During the consultant’s time in Croatia, he focused his attention to aspects of the marine tourism industry involving yacht charters and marinas. Specific non-vessel activities such as windsurfing, surfing and diving were not examined.

Croatia's Private and Charter Yachting Industry

According to Croatian Tourist Board statistics, the country had, in 2003, 48 marinas of which 21 are believed to be ACI (Adriatic Croatia International) or government run. In addition there are 27 nautical ports (anchorages, berths, land marinas). The marinas are located along the length of the coast from Umag on the Istrian coast down to Dubrovnik. Approximately 14 of the marinas listed are offshore, situated on the many islands. 16 Marinas are category III, 21 are category II and 4 are category I, although it appears that this categorization system is not international or European and therefore may have little meaning or relevance. There are around a total of 14,730 berths and 3500 dry berths. 37 of the marinas claim to have workshops and a crane or lift.

The percentage of moorings and leisure vessels according to vessel length is shown below. Clearly the number of moorings for boats over 15m is limited. The diagram clearly shows that there is an over supply of moorings between 8m and 15m and a small capacity of moorings with lengths over 15m.

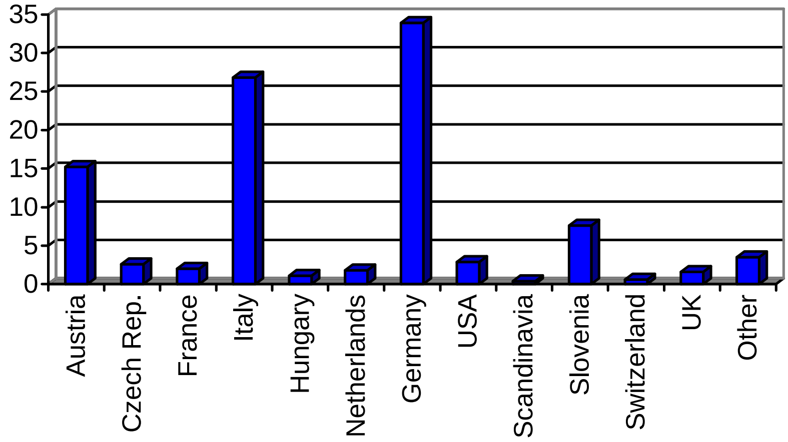
Figure 5. Proportion of Croatian Moorings and Leisure/Sport Vessels according to Vessel Length



Berth rental prices for ACI marinas range from Euro 2200 to Euro 4088 for a 15m annual berth. The prices at two private marinas visited ranged from Euro 2320 to Euro 5014 for a berth the same size. The marina owners that were spoken to believed that their prices were comparable to elsewhere in the Mediterranean and Adriatic.

The majority of boat owners appear to be from Germany, Italy, Austria and Slovenia as the chart below identifies.

Figure 6. Foreign Licensed Vessels for Leisure & Sport in Croatian Waters



SWOT Analysis of Croatia's Private and Charter Yachting Industry

Strengths

- Image of Croatia as a new marine tourism destination
- Number of islands for 'exploration'
- Sea water cleanliness
- Natural landscapes
- Many marinas located near historical towns and cultural heritage
- Long sailing season
- Most marinas open year round
- Accessibility with flights to Split and Dubrovnik and over the Adriatic from Italy

Weaknesses

- Lack of capacity for private and charter vessels
- Domination in industry of government run marinas
- Lack of marine vessel services (maintenance of engines and sails, electronics, parts, etc)
- Poor regulation and management of the industry
- Costs and regulations involved in establishing new marinas
- Land ownership issues for establishing marinas
- Prevailing winds
- Marina operators attempting to accommodate all types of boats and all types of clients – no differentiation in the marketplace
- Many marinas unable to accommodate the new wave in mega yachts either because the depth of water is too shallow or berths are not large enough, or both
- Domination by government-run ACI marinas

Opportunities

- Number of locations still suitable for marina development
- Development of boat maintenance services
- Focusing on niche markets within the industry at each marina
- Zoning of coastal region for different types of recreational activity

Threats

- Development of marina facilities elsewhere along the Adriatic, i.e. Montenegro and Greece
- Inability to keep pace with developments in boat sizes and changing market
- Environmental damage to coastline through lack of regulation, planning and zoning

Recommendations

According to the marina owners spoken to, the demand for marina berths is outpacing supply, although this is not clearly expressed in figure 29. Such demand infers that it is not necessary for the consultant to suggest new marketing or promotional approaches for Croatia. Similarly, many yacht charter companies operate in Croatian waters. The Global Yacht Charter Group (www.global-yacht.com) suggest that yacht charters in Croatia sell out very early in the season (all sold out by February 2004) and therefore there is little need to promote the charter industry.

Instead, what is required is better organization in the industry, an improved structure, a better business environment and business development services that can assist marina operators in keeping abreast of changes in the industry and create awareness of the need to focus on particular niche markets. As the marina industry develops still further, the potential for negative consequences will increase and Croatia will no longer be seen as 'one of the most beautiful areas to sail in the Med'.

An expert in marine tourism or the marine industry will be necessary to undertake a more detailed assessment of the Croatian marine tourism industry including analysis of trends, standards and facilities. The British Marine Federation have compiled a report that may be useful entitled '*European Overview 2004 - The Leisure Marine Industry at Your Fingertips'* containing detailed statistics across 30 countries covering ownership, participation and spending; companies, employees and revenues; domestic boat production; infrastructure and facilities; and major boat shows. The price is GBP895 and it is available from www.britishmarine.co.uk.

There are a number of travel fairs focusing on marine tourism. These include:

- Belgian Boat Show - Belgium
- Boat Dusseldorf – Germany
- International Boat Show, Stockholm – Sweden
- Odessa Boat Show – Ukraine
- Kiev International Boat Show - Ukraine
- Birmingham Boat Caravan Outdoor Show – UK
- Southampton Boat Show – UK
- London Boat Show – UK
- Boat Show, Riga – Latvia
- Boat Asia – Singapore
- Ports Barcelona – Spain
- Melbourne Boat Show – Australia
- Sydney International Boat Show – Australia

- Marine Indonesia, Jakarta – Indonesia
- Barcolana Sailing Show, Trieste – Italy
- Helsinki International Boat Show – Finland
- Various Boat shows in the States – (see www.showmanagement.com)

Further details and links can be obtained from www.tsnn.com

There are a number of online retailers offering yacht charters:
www.global-yacht.com
http://www.croatia-yacht-charter.com/
http://www.yacht-base.com/
http://www.euro-agent.com/
http://www.yacht-rent.com/index.php?lgmenu=uk
http://www.yachtbooker.com/
http://www.mediterranean-adventure.com/us/croatia.php3

Croatian companies offering yacht charters include:
www.acn.hr
http://www.croatiaboats.com/
http://www.feral-tours.com/
http://www.globecharter.com/
http://www.istra-yachting.com/
http://www.navstar-cruising.hr/
http://www.navicula.hr/
http://www.navis-yachting.com/
http://www.orvas-st.com/
http://www.sm-mediteran.com/home.php?l=en
http://www.ladyana.com/

Further Croatian companies can be obtained by downloading the Croatian Tourism Board brochure 'Information for Boaters' from www.croatia.hr/misc/brosure/Engleski-informacije%20o%20jahtama.pdf

Typical package tour sailing holidays from the UK can be seen on the following sites:
www.sailingholidays.com
www.setsail.co.uk
www.sunsail.com
www.activity-yachting.com
www.sailcroatia.net
www.libertastravel.com
www.nautilus-yachting.com
www.top-yacht.com
www.templecraft.com

Prices vary significantly according to length of holiday, length of boat, group size, season and facilities.

Rural Tourism/Agritourism

Adapted from 'Dictionary of Travel, Tourism and Hospitality'; Medlik S. Butterworth Heinemann and 'Encyclopedia of Tourism', Jafar Jafari, Routledge, 'Agricultural Tourism and Cultural Revival in the Val D'Orcia in South Tuscany (http://datacomm.ch/shineat/agricultural.htm); Agricultural Marketing Resource Centre (www.agmrc.org); Kerr Centre for Sustainable Agriculture (http://www.kerrcenter.com/publications/2002_proceedings/agritourism.pdf); 'Agritourism Market and Product Development Status Report', Centre for Tourism Policy & Research, (http://www.rem.sfu.ca/pdf/agritourism.pdf);

Market Profile

"Rural tourism uses the countryside as a resource. It is associated with the search by urban dwellers for tranquility and space for outdoor recreation rather than being specifically linked to nature. Rural tourism includes visits to national and state parks, heritage tourism in rural areas, scenic drives and enjoyment of the rural landscape and farm tourism."

In general the most attractive rural areas for tourists are those which are marginal for agriculture, often located in thinly populated isolated and less-favored upland regions. It has long been popular in northern Europe and is now spreading to Eastern and Central Europe. It is often found in mountainous areas such as the Pyrenees or the Rockies where it was originally associated with winter sports but is now a year-round activity. Tourism offers an additional source of income, especially for women, and is important in reducing the rate of rural depopulation. Tourism investment may preserve historic buildings and traditional activities such as village festivals may be brought back to life by tourist interest.

"Agritourism sometimes spelled agrotourism and also often called farm tourism refers to the provision of touristic opportunities on working farms. Many farms are located in attractive rural settings, which although work environments, may also be interesting leisure locations to urban residents Agrotourism implies a closer interaction with rural landscapes and residents than the mere viewing of scenery."

Accommodation may be provided on farms for visitors in such forms as bed and breakfast or campsites, produce may be sold through pick your own schemes or farm markets, blossom or other tours may be arranged depending on location. Opportunities for active recreations such as hiking, fishing and horseback riding may be provided depending upon the resources available. In these and other ways farmers can gain a supplementary income from tourism and if successful this activity may even eventually replace farming as the major income of the enterprise. Agrotourism is often viewed as a means of stimulating the economies of declining rural areas. However, success depends very much on access to markets and the nature of the farm enterprise, with mixed farms, raising both animals and crops in varied topography, being usually more attractive.

For rural communities and regions, agritourism can be a vehicle for diversifying and stabilizing rural economies by: creating jobs and increasing community income; providing a broader market base for local businesses; and attracting other businesses and small industries. From a tourism viewpoint, agritourism can be a means of diversifying the mix of tourism products and services available to visitors and uniquely positioning rural regions and communities for tourism markets. Given these potential benefits as well as possible costs, it is imperative that the proponents of agritourism development take a proactive role in planning and managing the development of this form of diversification.

Agritourism can be said to be a segment of rural tourism although both terms are used interchangeably to mean essentially the same thing. Agritourism/Rural Tourism is becoming popular worldwide. A simple search on the Internet will uncover rural and agritourism holiday availability in Australia, New Zealand, Western Europe, the US and Canada although there are significant differences in the products on offer. The components of both include: proximity to nature; tranquil locations; traditional rural lifestyle, traditions, customs and culture; traditional cuisine and handicrafts.

In 2002, the World Tourism Organization estimated that 3% of the world tourism market undertook a rural holiday and of that just 2% participated in agritourism. Many countries within Europe have their own specialized organizations promoting this type of tourism.
Austria – Austrian Farm Holidays Association – www.farmholidays.com
France – Federation Nationales des Gites de France – www.gites-de-france.fr
Ireland – Irish Farmhouse Holidays – www.irishfarmholidays.com
Italy – Agriturist - www.agriturist.it
Netherlands – Dutch Farm Holidays – www.dutch-farmholidays.com
Slovenia – Association of Tourist Farms of Slovenia – www.slovenia-tourism.si/touristfarms
Spain – Asociacion Espanola de Tourismo Rural – www.ecoturismorural.com

There are others, many of which are members of the main umbrella organization, the European Federation of Farm and Village Tourism (www.eurogites.org), from which further details can be obtained. The smaller European Associations include Rural Tourism International (www.ruraltourisminternational.org) and the European Centre for Ecological and Agricultural Tourism (www.eceat.org).

The growth of national and international associations is an indication of growth within the industry, growth which is said to be contributed to by the demand for new touristic experiences, efforts to prolong the seasonality of tourism, the increasing number of short-break holidays, more intra-European flights and low-cost carriers and larger numbers of tourists booking online.

Agritourism in the UK

The UK's most significant agritourism marketing organization is the Farm Holiday Bureau (FHB) – www.farmstayuk.co.uk. It co-ordinates the marketing of a network of over 1000 farms providing both bed-and-breakfast and self-catering accommodation. These establishments are found throughout the United Kingdom. The focus of the marketing program is on promoting quality accommodation with value for money prices. FHB member properties are inspected regularly to ensure that a high standard of cleanliness, courtesy and service is maintained. All members must agree to meet its minimum standards and observe its code of conduct. Most of the farms listed in the FHB guide are full members of the Farm Holiday Bureau. They belong to local groups that share information and best practice and help raise quality standards to the highest level. Associates are not members of local groups and may only recently have joined the Bureau. They are identified by the word 'Associate' in their guide entry and may become full members in due course.

There has been little research into the profiles of those tourists undertaking agritourism trips other than small-scale local surveys. However, research undertaken in Canada does shed some light on the characteristics of agritourists. They found that the greatest potential lay with tourists from Japan, the UK and Germany.

On average, the largest proportion of these potential agritourists tended to be married females, living in households with two members over 18 years of age, having no children at home, and earning mid-level incomes. When compared with potential agritourists from the UK and Germany, the Japanese travelers tended to be younger, better educated, living in households with a single income earner, and less capable of communicating in English or French

Despite country specific variations, the most important overall travel philosophies of these potential agritourists were quite similar. For the most part, they were cost and value conscious travelers seeking new holiday destinations where they could flexibly select a range of travel experiences to pursue. They all placed high levels of importance on being able to make their own travel arrangements prior to and during the trip. Japanese agritourists followed by their German and United Kingdom counterparts were more interested in pursuing trips of greater duration.

All three agritourism markets were motivated to travel by such factors as the availability of nice weather, outstanding scenery, a variety of things to see and do, and opportunities to increase their knowledge. Other factors served to differentiate them. For instance, unlike their European counterparts, the Japanese agritourists placed more importance on having opportunities to relax and be entertained. Conversely UK agritourists were particularly motivated to take low cost trips, and their German counterparts were especially interested in visiting places which provided opportunities to see wildlife

On their most recent holiday, Japanese agritourists most frequently took trips of 4-7 nights traveling with their spouse or significant other. They booked their trip shortly after planning it (within a month) and used brochures and pamphlets as their most important sources of information to help make these decisions. They tended to use travel in prearranged packages that included stays at mid-priced hotels, as well as opportunities to sightsee, shop and film/take pictures. In comparison, their European counterparts tended to take longer (15-28 nights), less packaged trips, and planned further in advance (6-11 months) with the help of travel agents. These potential agritourists were also more apt to include sampling local foods on their itineraries.

The importance of domestic tourism in this segment cannot be understated. One report suggests that the ratio of domestic to foreign visitors is on average 50:50.

Agritourism in Italy

Built on or around the grounds of farmhouse villas, castles and wineries in Tuscany, Umbria and other regions of Italy, Italian agriturismo is typically based on family-run operations that include accommodations ranging from bed and breakfast to large apartments and separate houses with living areas, kitchens and private baths. The experience at a farm may include dining with the host family, assisting in the grape harvest, or merely enjoying the intimacy of a retreat, which affords the beauty of its setting as well as privacy and independence from the farm. In addition, the traveler may have the opportunity to pursue individual interests such as horseback riding, painting classes, swimming, mountain biking, hiking or learning about the regional cuisine of Italy by participating in cooking classes. - www.italyfarmholidays.com

From researching agritourism activities on the internet, it is apparent that agritourists tend not to stray far from the main centre of accommodation. They are interested in viewing and participating in rural life, visiting local historical and cultural attractions, shops and markets.

Many agritourists are independently minded, are happy to arrange most of the elements themselves and often find themselves self-driving to visit the accommodation and nearby attractions. The agritourism industry is not considered to be a high-end experience, although this is not necessarily the case for all destinations.

Because of the variety in types of accommodation, the supply chain varies. For example rural tourism villas and self-catering accommodation, where the tourist (and his or her friends/family) takes over the whole accommodation, will normally be booked through a tour operator or agent (possibly online). Bed and breakfast accommodation on traditional farms is more likely to be booked directly with the accommodation owner. In these latter circumstances, marketing the product becomes more difficult. In the UK and Italy particularly, local, regional or national associations and government undertake much of the promotional work. In the UK, the main body for the industry is FarmStayUK a membership-based association. In Italy much of the promotional work is undertaken by provincial tourism boards. For example Provincia di Verona, Provincia di Pistoria, Provincia di Toscana, Regione Emilia Romagna and Regione Friuli Venezia Giulia all produce agritourism brochures and maps and have an internet presence. In Switzerland, a number of associations have worked together to produce a catalogue and the website www.tourisme-rural.ch outlining a large number of agritourism enterprises.

The above research from Canada highlighted elements of any agritourism industry that need careful attention. These include the development of:

- marketing organizations with the resources and talents needed to disseminate information efficiently and to influence consumer attitudes positively with respect to pursuing rural holiday experiences;
- monitoring procedures and measures to encourage the development of quality accommodation and catering facilities;
- alliances amongst regional attractions that are offered in conjunction with agritourism products;
- linkages between the food producers and tourism operators in order to showcase niche products;
- funding sources for professional and targeted product development and marketing initiatives;
- agritourism friendly and relevant land use and programming regulations;
- effective and systematic risk management and insurance programs; and
- tourism and business training programs for operators and employers.

These elements are now being targeted by the national and international agritourism-based associations.

Agritourism Product Development Best Practices (http://www.rem.sfu.ca/pdf/agritourism.pdf)
The following vignettes provide a sample of recent agritourism products and services, which have been successfully implemented in varying jurisdictions.

Case Study: Agritourism Operator Success Factors
A recent European study suggested that the most successful agritourism operators shared a set of important qualifications: an outgoing personality that enjoyed interacting with the public, a property that was attractive and organized, a product (activity based, object, or service) that people desired, and a customer base that was available and consistent. Two additional ingredients for success were: support from the local community, and a policy infrastructure that nurtured them. In England, this support came from the National Parks bolstered by European Community (EC) grant funds for farm assistance.

Case Study: Okanagan Wine Festival
The Okanagan Fall Wine Festival has strong regional and growing national recognition. While it is designed to provide wineries with the opportunity to showcase their top wines, it also allows commercial establishments (including restaurants, agritourism operators and accommodators throughout the Okanagan) to join with the wineries in celebrating the fall harvest. This is accomplished through a variety of wine and food pairing dinners, outdoor festivals held on site at the wineries and at leading resort properties, and major consumer show tastings. Special events include gourmet dinners, family pig roasts, jazz brunches, grape stomps, classical music evenings combined with elegant dinners, and packaged wine tours. (Baldwin, B. Inn Focus, 1998).

Case Study: Agritourism Cookbooks
Ancaster Information Centre and Community Services has partnered with farm gate operations to create and produce a cookbook featuring and promoting the local agri-food sector ("A Cultivating Taste"—Celebrating the Fine Products from the Farms, Farm Markets and Orchards In and Around Ancaster Ontario). Commentary and maps direct consumers to local producers' outlets, and recipes feature local ingredients and local suppliers. As an agritourism tool, the book is expected to return $2 for every $1 spent and raise public awareness of the local agri-food sector. (http://www.adaptcouncil.org/marketin.html (1998))

Case Study: Community Supported Agriculture
Community Supported Agriculture (CSA) has gained a niche in agricultural marketing and has, for many family farms, provided the critical difference in terms of economic and social sustainability. The program is designed to diversify and add income streams, as well as supply interest-free cash for farm production. But more importantly from an agritourism perspective, some CSA programs forge meaningful relationships between farmers and non-farmers, and between urban and rural people. Annually, many members of these programs camp in tents at farms, participating in the work, and engaging socially with the farm family. Small Farm News Summer 1999 (http://danr012.ucdavis.edu/pubs/SFNews/Summer99/emerge.html)

Case Study: Farmers' Markets
Farmers' markets cater to the emerging demand for farm-fresh, flavorful produce. These unique venues also allow local and regional tourists to have a different kind of food shopping experience; something that market research suggests is of increasing value to the travel experience. The quality of the experience is perceived as superior when the traveler buys directly from the grower and engages in a more social relationship with the producer. It allows the consumer a kind of vicarious participation in the rich social heritage of the family farm.
(http://danr012.ucdavis.edu/pubs/SFNews/Summer99/emerge.html)

Case Study: Cross-country Travelers
In Vermont 22 million people cross the state annually without stopping in the state. Local agritourism committees are developing rural adventures such as gourmet get-away packages which combine different meals and overnight accommodations experiences. These elements are being paired in farm settings to encourage more of these travelers to stop and visit. Small Farm Centre: sfcentre@ucdavis.edu

Case Study: Agri-entertainment
Some farms with fruit and vegetable stands as well as farms with pick-your-own produce have incorporated "entertainment farming" into their operations. Agri-entertainment can take many forms: festivals, hayrides, petting zoos, seasonal events, and contests are some ways to delight visitors. Other innovations include: Easter egg hunts, perennial plant tours, Halloween events, pancake breakfasts, moonlight pumpkin-picking parties, and annual farm fests.

Croatia's Agritourism Industry

Croatia already purports to have an 'agritourism' industry comprising of rural bed and breakfast accommodations providing a significant amount of local or home grown produce for consumption. However, the Croatian definition does not fit clearly into the international definition of agritourism as many of the agritourism enterprises identified are not undertaking agricultural production. Additionally, and for the same reason, this limits the opportunity for tourists to engage in agricultural activities.

The term 'agritourism' has become ambiguous in Croatia making marketing of the products difficult. Rural hotels, agritourism enterprises, bed and breakfast accommodation, rural villas and rural houses are attempting to market themselves under the same agritourism banner detracting tourist attention away from those enterprises wishing to specialize themselves as true agritourism enterprises. As the table below shows, comprising of data from the Istrian Tourism Board, the true agritourism enterprises, rural hotels and bed and breakfast accommodations have pitifully low occupancy rates.

Figure 7. Capacities and Occupancy Rates for Istrian Accommodation Establishments

	Capacity of Rural Tourism Accommodation (2002) / number of enterprises	Occupancy Rates for Rural Accommodation (2002) / % of year
Agritourism	20	19
Rural Houses	52	36
Rural Villas	16	60
Small Rural Hotels	4	19
B&B	92	18
Total/Average		31

Source: Istrian Tourism Board

Many of the accommodation facilities are located in inland areas of the country, particularly in Istria and comprise of large traditional stone houses converted into small and comfortable hotels, villas and bed and breakfast enterprises. The quality of facilities and services varies quite considerably. As mentioned above, those visiting villas and self-catering accommodations tend to use the services of a travel agent/tour operator and that using bed and breakfast accommodation will make bookings directly. However, in both circumstances, self-drive is common.

There are currently no national associations for agritourism or rural tourism although the Istrian region does have its own dedicated association – Agrotour Istria (www.istra.hr/agroturizam) – apparently established by the Istrian Tourism Board (www.istra.hr). This association markets all types of accommodation in the Istria region under the term agritourism. They have apparently undertaken some promotional activities (trade fair attendance and brochure production) and are also a member of EuroGites. Many agritourism enterprises have also become members of the Association of Small Hotels and are therefore put together alongside seaside bed and breakfast accommodation resulting in difficulty in marketing themselves as something unique.

According to the Istrian Tourism Board, the majority of tourists to rural accommodations in 2002 were from Germany (65%), Italy (10%), Austria (7%), Netherlands (7%), Slovenia (5%), UK (4%) and others (2%).

The Croatian Tourism Board has produced a brochure entitled Private and Confidential Private Accommodation: Rooms, Apartments and Villas outlining the locations of such accommodation. Listings are then given of agencies that can arrange such accommodation. Details of the actual establishments are not provided.

SWOT Analysis of Croatia's Agritourism Industry

Strengths

- Traditional stone houses
- Unique Croatian agricultural products
- Good quality cuisine
- Vine routes & local wineries
- Network of cycling and walking routes
- Quality and variety of accommodation

Weaknesses

- Ambiguous and undefined tourism product
- Lack of further segmentation of rural tourism market and classification of accommodation establishments
- Undeveloped product – limited activities for visitors
- Poor institutional development – no national association specifically for agritourism enterprises and an agritourism association including non-farm accommodation
- Poor marketing and promotional activities
- Little networking and joint marketing efforts
- Lack of experience in tourism amongst enterprises and particularly lack of awareness of niche marketing
- Difficult to book directly with accommodation providers
- Length of season

Opportunities

- Creating a brand image for the Istrian agritourism industry
- Creating a national agritourism association
- Further segmentation and classification of the market
- Harnessing similarities to Italy in promotional efforts
- Collective marketing of similar establishments

Threats

- Lack of focus and niche marketing leading to reduction in accommodation prices and therefore reduction in facility and service quality

Recommendations

In order for rural hotels and agritourism enterprises to become more successful there are a number of activities that should be undertaken
As a first step some restructuring of the market is necessary

- Construct a national classification system of accommodation enterprises based on European norms (perhaps using the International Standard 'Tourism Services – Hotels and Other Types of Tourism Accommodation – Terminology' ISO 18513). The major categories listed are:

Figure 8. Classification of Accommodation Types

- Hotel
- Apartment Complex
- Spa Hotel
- Chalet / Bungalow
- Motel
- Folding Caravan
- Caravan Holiday Home / Holiday Caravan / Static Caravan / Mobile Home
- Camping Site / Caravan Park / Holiday Park / Touring Camp / Touring Park
- Guest House
- Gite Rural
- Farm House
- All-Suite Hotel
- Caravan
- Tent
- Camper Van / Motor Home / Caravanette
- Aparthotel
- Youth Hostel
- Mountain Refuge
- Canal Barge
- Trailer Tent
- Touring Caravan / Tourer
- Holiday Camp / Holiday Centre / Holiday Village

Source: ISO 18513

Croatia may need to add others, to distinguish small rural hotels, villas and bed & breakfast accommodations from one another

- In connection with clearly categorizing establishments, distinction must also be made on the services that are on offer. For example, some hotels declare that they offer spa facilities when they have just a Jacuzzi and sauna. ISO 18513 also categorizes hotel facilities. Facilities and services that may need clearly defining could include; what is meant by a wine cellar, what constitutes home-cooked food, etc
- Such distinctions will help tourism enterprises understand the particular markets they have the greatest potential in targeting, will enable enterprises to be collectively marketed through national and international associations, and will assist tourists in choosing the most appropriate form of accommodation for their expectations
- The Istrian Agritourism Association needs to be committed to serving the needs of what are clearly only agritourism enterprises. If there are not enough enterprises of this nature then they should look at expanding the association to

cover more of the country. Although Istria appears to host the majority of rural hotels and agritourism enterprises, it may be appropriate to widen the sphere to neighboring regions.
- Alternatively, the association could be renamed but have a category of membership specifically for agritourism enterprises. Other categories constructed based on accommodation classification may also serve to assist foreign tour operators and travel agents target more easily the appropriate type of accommodation
- On the website www.istra.com there are listed some 31 associations in the Istria region. All these associations, rather than been focused on a particular type of activity (e.g. cycling, cooking, history) are all geographical representing small towns or districts. So many are confusing for the industry, avoid cost effectiveness and marketing impact, and remove necessary unity. Some consolidation is surely beneficial. The relatively small size of the region suggests that any diversity should be related to type of tourism activity rather than location.

After restructuring, training should take place amongst accommodation, restaurant and activity enterprises. Anticipated requirements include training in:
- Tourism market segmentation and distribution channels
- Tourism marketing techniques, including focus on niche marketing
- Collective marketing and purpose of associations
- Product and service development, focusing on active pursuits, local food & wine, cultural activities, events and agricultural production

Simultaneously, marketing efforts will be required.
- Publication of a catalogue or catalogues for the range of accommodation and tourism enterprises available clearly categorizing them for easy identification and providing greater detail on services available
- Specific marketing of rural tourism and agritourism products at travel fairs throughout Europe. At the ITB fair held recently in Berlin, the Croatia stand had no information available from the Istria representatives on rural tourism or agritourism.
- Improvements to the website of the Istrian Agritourism Association, creating a dedicated site, providing more details of the individual enterprises, the creation of an online booking system, information on what tourists can do, etc

In order to maintain standards in quality, a monitoring and evaluation system should be created.

The consultant is not aware of any government subsidies or incentives available for the development, a stark contrast to many other European countries. A strong association should be encouraged to lobby government for assistance.

Quality standards, monitoring of quality, the access to training materials and greater understanding of the industry will be developed if Istria and Croatia take an active part in the European network of agritourism and rural tourism associations – Eurogite, etc.

A note of caution is necessary with any recommendations. The agritourism sector must remain small to maintain its unique appeal and quality of natural resources. Growth too quickly could affect sustainability.

There are no specialist agritourism or rural tourism trade fairs as the market is so small. Instead, promotion is undertaken at the larger consumer and trade tourism fairs.

Examples of companies promoting villa, agritourism or rural tourism holidays include:
Bond Tours – www.bondtours.com
Hidden Croatia – www.hiddencroatia.com
Simply Travel – www.simplytravel.com
Tapestry Holidays – www.tapestryholidays.com
Vintage Travel – www.vintagetravel.co.uk
Croatian Affair – www.croatianaffair.com
Cottages to Castles – www.cottagestocastles.com
Villa Retreats – www.villaretreats.com
Open Holidays – www.openholidays.co.uk
Croatian Villas – www.croatianvillas.com
Croatia Escape – www.croatiaescape.com
Interhome – www.interhome.co.uk
Villas Croatia – www.croatia-villas.co.uk

Wine & Culinary Tourism

Adapted from Wine & Cuisine Profile Report, TAMS, (http://www.tourism.gov.on.ca/english/tourdiv/tams/pdf/wine.pdf); Winemakers Federation of Australia (www.wfa.org.au).

Market Profile

Wine/Culinary tourism can be defined as tourism in which the opportunity for wine and/or culinary related experiences contributes significantly to the reason for travel to the destination or to itinerary planning while at the destination. *(Definition used by the Ontario Ministry of Tourism, Culture and Recreation and the Wine Council of Ontario).*
The wine/culinary tourism segment can be subdivided into three sub-segments which makes understanding the market easier:

1) Wine Tourism
2) Culinary Tourism
3) Gastronomy Tourism

The consultant defines these three sub-segments simply as follows:

1) Wine tourism is based around tourist visits to wineries and wine regions for the main purpose of wine tasting and gaining knowledge in wine production and regions
2) Culinary tourism is based on a tourist's interest in learning about foreign cuisines, the products and ingredients that are used in preparation and the methods used in creating culinary dishes.

3) Gastronomy tourism is based on a tourist's enjoyment of international food and dishes. There may be no particular interest in wishing to know how the various dishes are made

Although the three sub-segments are clearly stated above, in practice tourism products may combine two or all of them. Additionally, tours may also include aspects of culture, entertainment or sightseeing. There may even be an overlap with the agritourism and rural tourism segment outlined above.

Research in Australia shows that wine tourists are avid readers of both newspapers and magazines that they are more likely to use the internet to plan and in some cases book their holidays, that they travel by hire car or four wheel drive and that they prefer to stay in bed and breakfast accommodation. The purposes stated for undertaking the wine tour are to have a good time, to learn more about wine generally and the particular wine and wine region and to taste and buy the wine. Most visitors to wineries go as part of a day trip, short break or weekend away. They don't drive for two hours just to buy a bottle of wine. They go to a region to experience its character, its food, its lifestyle, its cultural attractions, to visit friends and relatives, and increasingly to unwind and relax. The desire to have fun and escape the stresses of life can often be involved. Something as simple as a change of scene and a chance for romance also play a role for many. As well as the visit to the winery, research from Australia shows that just as important will be:

- Accommodation
- Dining experiences, including cafes, takeaways & coffee
- Hospitality of operators and locals
- Variety, quality and authenticity of attractions and activities
- Ease of getting around – signage and roads – and ease of finding information and maps (that work from the perspective of a first time visitor and not a more familiar resident)
- Availability and provision of trusted, reliable, advice on all of the above

The essential difference between a cellar door in a wine region and the bottle shop in a city is that the visitor to a cellar door wants much more from the visit than just to buy a bottle of wine. They want a personal experience they cannot get back home. They also have higher expectations regarding the personal feel and attention levels of the customer service provided.

Expectations might include: that they will be able to "browse" (taste) the wines; that they will learn something in an informal, entertaining way and not feel awkward or intimidated; that they will discover a new taste sensation, a new wine to take home. When the winery host welcomes guests he is in fact entering the hospitality industry and must learn the art of entertaining and interacting with his guests.

An examination of wine tours available to Italy, Spain & Mexico by tour operators shows that wine tourists like to stay in 3* and above unique accommodation, that they like free time for exploration, like to receive profiles of winemakers in advance of their trip and have exclusive access to wines. Group sizes tend to be between 6 and 12 people.

What is perhaps surprising is that the majority of tourists undertaking wine tours do not consider themselves to be wine experts. Canadian research showed that less than 10% of tourists had a high knowledge or interest in wine.

For a wine region to also become a wine tourism region it must have a well-known brand or identity, it must have good access and signage, have good pre-publicity and public relations, a range of good food, a range of good accommodation and a range of visitor activities. Successful wine regions have been established largely on the cooperation between wineries. It is much easier for a group of wineries to project an image collectively than for a single winery on their own. Croatia has made a start in creating wine routes but further work is required.

A winery will be successful within a region if the design and physical appearance is in keeping with the surrounding landscape and architecture, if there is a good ambience internally, if the service and atmosphere created by the staff is pleasing and of course if the wines themselves are good.

Good winery owners do not automatically make good tourism guides and it may be necessary for trained staff to be employed that can tune into body language and be able to read visitors to ascertain their mood, knowledge of wine and expectations.

Excellent information on establishing wine tourism is available from the Winemakers' Federation of Australia website – www.wfa.org.au They have put together a publication entitled 'Wine Tourism Uncorked' which includes examples of successful wine tourism ventures around Australia and also have a wine tourism strategy available for download.

Culinary tourism and gastronomy provide a very strong insight into a country or region's culture, a trend that has been encouraged by celebrity chefs appearing on TV shows in different countries exploring local cuisines. Some suggest the popularity of good food has occurred as resistance to the fast-food culture. Also since the 1970s there has been a distinct move away from Nouvelle Cuisine where presentation was paramount to a form of cuisine where good quality organic local foods with natural flavors take precedence.

Typically culinary tours and gastronomic tours (as defined above) have similar characteristics. Tours involve driving, cycling or walking, excursions to historical and cultural sites and the gastronomic elements of visits to local producers, wine tasting, visits to specialist shops and markets, and notable restaurants serving local produce. Culinary tours will of course involve cooking lessons or dinners/discussions, often with renowned chefs. Cooking lessons can take place at rural villas with large kitchens or typically culinary schools (see www.cookandtaste.net, www.italycookingschools.com). The emphasis is on independent producers producing specialty foods using traditional methods.

There does not appear to be much market research into culinary tourism or gastronomy. Certainly it is clear from looking at tour operator offerings that the major destinations are currently Italy (all regions), France, Spain, Austria, Morocco, Portugal, New Zealand and Mexico. Most of the National Tourism Organizations for these countries have detailed food and wine information in their websites. Both the

Spanish and Italian Provincial Tourism Boards have produced marketing material specifically aimed at this segment.

Many of these destinations have gourmet events suitable for tourists. For example, the French put on Gourmet Week in October each year (www.legout.com) with tastings, entertainment, recipes and the presentation of young chefs. There are also a reported 600 smaller events.

In Italy, the culinary and wine tourism industry is characterized by diversity. Every town has its own specialties making a gastronomic tour a real experience. According to the Italian Statistics Authority (ISTAT), wine and food tourism in Italy attracts more than 5 million people each year creating some 2.5 billion Euros. Italy is also home to the Slow Food Organization (www.slowfood.com) that now boasts 80,000 members in 100 countries. According to their website, their aim is to ‘oppose the standardization of taste, defend the need for consumer information, protect cultural identities tied to food and gastronomic traditions, safeguard foods and cultivation and processing techniques inherited from tradition and defend domestic and wild animal and vegetable species’. They too run events including an ‘enogastronomy’ and cheese fair.

Tuscany is now recognized to be a culinary capital in Europe. However, the region is not particularly identified by food. Its popularity as a destination with good infrastructure and accommodation and beautiful landscape has in fact be harnessed and taken over by the culinary tourism industry. It now has the highest concentration of cooking schools in the country. Other regions are now learning from Tuscany. These include Piedmont, Emilia Romagna, Umbria, Campagnia and Veneto and searches on any of these regions are likely to bring up some culinary and wine tourism opportunities.

Apart from the established destinations, Belgium, Cyprus, Hungary, Romania, Sweden and the UK are attempting to move into the marketplace.

Mitchell and Hall (2004) have constructed a useful typology of food tourist behavior that may help to understand the segments in more detail.

Figure 9. Typology of Food Tourist Behavior

Category	Eating at home (pre-travel)	Eating out (pre-travel)	Food at destination	Vacation experiences	Eating (post-travel)
Gastronomes	Extensive research of foods at destination Eat a wide range of cuisines Member of food society/group May be a food professional High commitment to farmers' markets in order to be	Eat a wide range of cuisines Many different restaurants frequented Eating out occurs on a regular and frequent basis	Cooking schools Food education High cuisine and rustic food Food markets with emphasis on farmers' markets are a very significant food attraction Local growers and suppliers	Personal indulgence Exploration Romance and relaxation	Search for new food experiences Use learned techniques to develop own recipes Fusion with existing knowledge Ongoing high commitment to farmers' markets

	able to learn about produce				
Indigenous Foodies	Research local culture at destination Cook a range of styles of food at home Interested in foods at public markets and farmers' markets	Usually eat at ethnic restaurants Relatively high level of eating out	Cooking schools Local restaurants Rustic food Food markets an attraction because of produce, with no substantial differentiation between farmers' and public markets	Personal indulgence Exploration Romance and relaxation	Cook food from destination Adopt new ingredients Regularly frequent restaurants and public markets
Tourist Foodies	FIT destination planning Cook some pre-prepared ethnic foods at home Occasional purchaser from public markets	Eat at a range of mainstream restaurants Eating out less frequent but more than just special occasions	Tourist menus Westernized hotel/resort food International chains Food market as a component of local color food not an attraction in its own right	Sports, hobbies and learning Socializing	Talk about wonderful food at hotel/resort May seek mainstream restaurant with cuisine from destination
Familiar Foods	Package tour planning only Meat and three veg' at home	Rarely eat out Fast foods	Package tour food International fast-food chains	Sports, hobbies and learning Socializing	No change to pre-visit behavior

Source: Mitchell R & Hall CM, 2004, 'Consuming Tourists: Food Tourism Consumer Behavior' in Food Tourism Around the World, Elsevier, London

In both Canada and the U.S., affluent mature and senior couples are most likely to be interested in wine and cuisine. This is the prime target market for such activity. Affluent young singles, affluent couples, affluent families and affluent mature couples also exhibit an above average interest in wine and cuisine and should be considered secondary markets for promotional activities.

Those who exhibit an interest in vacation activities associated with wine and cuisine are considerably more likely to have sought out vacation experiences associated with exploration (e.g., visiting historical sites, natural wonders), personal indulgence (e.g., to experience the good life, visiting a casino, experiencing city life such as night life) and romance and relaxation (e.g., experience intimacy and romance, relax and recuperate). Advertising and promotional materials designed to promote cuisine and wine should emphasize the cultural, entertainment and romantic images of the destination and be specifically targeted at affluent couples, and to a certain extent, affluent singles. There should be a hedonistic quality to such promotions.

Participation in cultural and entertainment activities while on a trip is closely associated with an interest in wine and cuisine. This association is especially strong for those who shop or dine, attend high art performances (e.g., ballet, opera), attend concerts, carnivals or fairs, visit botanical gardens or visit casinos. These cultural and entertainment activities should be promoted in wine and cuisine vacation packages. Those who exhibit an interest in wine and cuisine are also more likely to participate in outdoor activities while on a trip and especially water sports (e.g., sailing, scuba diving), fitness activities, swimming and sunbathing, team sports, natural sightseeing (e.g., viewing wildflower and flora, going on picnics in park settings) and golfing. These sorts of activities are more likely to be undertaken by the more affluent traveler, and especially affluent couples and singles. Those interested in wine and cuisine are more likely to consult a larger number of information sources when planning their vacations, especially newspapers and magazines, travel agents, travel information offices, travel guides and the Internet.

The connection with rural tourism and agritourism comes largely from the accommodation used. Wine and culinary tourists like to stay in small country hotels with character and warm hospitality. However, the typically high price of wine and culinary tours is keeping the segment as a niche market.

Croatian Wine & Culinary Tourism Industry

Croatia boasts more than 300 geographically-defined wine producing areas which produce 67% white, 32% red and the remaining 1% rose wines. In the harsher, more arid continental part of Croatia, more than 90% of the wine produced is white. More than 70% of the wines produced in the coastal areas of Croatia are red wines, some of which are very outstanding. Just under 10% of production is classified as superior wine, a little under 70% as quality and around 25% as table wine.

The Istrian region has put together a map of four wine routes that can be viewed at http://www.istra.com/vino/eng. Unfortunately, it is very unclear and does not entice anyone to visit. The winery visited by the consultant in Istria was not yet set up for receiving tourists, although it had a good ambience. Internet research undertaken suggests that little promotion is being undertaken outside of Croatia, a fact confirmed through discussions. At present Croatia is easily able to sell all its wine domestically although this may change with Croatia's impending membership of the EU. There is firm belief that once a member, Croatia will be flooded with imports from Europe and that they will have to work harder to sell their wines which are already costly in terms of the quality. One way of dealing with this situation is to introduce Croatian wines internationally through tourism. Certainly in Istria there is a lack of capacity for large scale production. Exclusivity is a strategy the vineyards want to progress.

There are some very good restaurants in Istria but they seem very isolated from tourism routes and from the tourism industry. A tourist in the region may only stumble across them or have the opportunity to visit because of a word of mouth recommendation.

The Istria region is interesting from the perspective that it produces some excellent local produce. It already has established an olive route and the local cheeses and proscuitto are of a good quality. Unfortunately these alone are not sellable to tourists. They must be combined into a quality tourism product.

The only wine tour found to Croatia is being undertaken by Arblaster & Clarke (www.winetours.co.uk) although this is in fact more of a wine cruise from Venice to Dubrovnik, stopping off at a number of the islands. No culinary or gastronomic tours were identified.

Examples of tour operators in the USA and UK that offer wine and culinary tours are outlined below. None of them currently offer Croatia in their portfolio and therefore there is significant potential.

Figure 10. List of UK & US Tour Operators Specializing in Wine & Culinary Tourism

Country	Company Name	Website Address	Existing Countries/Regions	
UK	Creativity Travel	www.creativitytravel.com	France, Spain, Italy, Ireland	
UK	Grand Cru Travel	www.grand-cru-travel.co.uk/	Europe, New Zealand, South America	2-9 days
UK	Rhodes School of Cuisine	www.rhodeschoolofcuisine.com	Italy, France, Morocco	7 days
UK	Tasting Places	www.tastingplaces.com	UK, France, Spain, Italy, Greece, Thailand	4-7 days
UK	Wine Trails	www.winetrails.co.uk	Europe, South America, Australia	
USA	Anglatin	www.anglatin.com	Italy	4 days
USA	Backroads	www.backroads.com	Worldwide	
USA	Chateau Food & Wine Tours	www.chateaufoodandwinetours.com	Italy, France	4/5 days
USA	City Adventures	www.cityadventures.com	Europe	8 days
USA	Cobblestone Tours	www.cobblestonetours.com	Spain, Italy, Portugal	8 days
USA	Cuisine International	http://cuisineinternational.com/	Italy, France, England, Greece, Portugal, Morocco, Brazil, USA	6 days
USA	Epiculinary	www.epiculinary.com	France, Italy, Spain, Mexico, USA	4-5 days
USA	Everyday Gourmet Traveler	http://gourmetravel.com	Italy, France, USA	7 days
USA	Exclusive Wine Vacations	www.exclusivewinevacations.com	France, Italy, Spain, Portugal, South America, Australasia, South Africa	6 days
USA	Fine Wine Travel	www.finewinetravel.com		7-12 days
USA	Food and Wine Trails	www.foodandwinetrails.com	California, Italy, Spain, Austria, New Zealand	6-9 days
USA	Global Cuisine	www.globalcuisine.com	Various	
USA	Gourmet Getaways	www.gourmetget.com	Italy	7-8 days
USA	Papillon	www.papillonselect.com	Italy, France	6 days
USA	The International Kitchen	www.theinternationalkitchen.com	Italy, France, Spain	2-7 days
USA	The Wine & Travel Company	www.thewineandtravelco.com	Italy, Spain, France, Australia	
USA	To	http://tograndmothershousewego.com	Italy, Mexico	7-8

	Grandmothers House We Go			days
USA	Wine & Dine Tours	www.wineanddinetour.com	USA, Italy, Australia, South America, Spain	
USA	Wine Escapes	www.wineescapes.com/	France, Italy, Spain, Portugal	8 days
USA	Wine Knows Travel	www.wineknowstravel.com	France	7-13 days
USA	Wine Tours Inc	www.winetoursinc.com/	Italy, France, USA	1-7 days

Again, because of the size of the global market, there are yet to be any specialist travel fairs for this segment. Promotion is best undertaken through specialist media newspapers and magazines.

There are a number of magazines in which a Croatia feature would be beneficial. These include:
US
National Geographic Traveler - http://www.nationalgeographic.com/traveler/
Travel & Leisure Magazine – www.travelandleisure.com
Wine Enthusiast – www.winemag.com
Gourmet Magazine - http://www.epicurious.com/gourmet
Wine Spectator - www.winespecatator.com
Culinary Thymes - http://www.culinarythymes.com/

UK
Sunday Times Travel Magazine - http://travel.timesonline.co.uk/
Good Food - http://www.bbcmagazines.com/goodfood/
Wine International - http://www.wineint.com/
Food & Wine Magazine – www.foodandwine.com

A number of national newspapers (outlined for each country under market profiles) also have wine and food experts.

Useful sources for finding other magazines and newspapers are www.allyoucanread.com, www.metagrid.com, www.ecola.com, www.themagazineboy.com and www.mediafinder.com

SWOT Analysis of the Croatian Wine & Culinary Tourism Industry

Strengths

- Small scale producers of cheese, meat products and olive oil
- Excellent quality wines
- Good quality and unique cuisine
- Truffle region
- Suitable accommodation facilities

Weaknesses

- International awareness of wine and cuisine potential

- Disjointed individual products
- Not all food prepared and presented to high standards
- Wineries not ready to receive tourists – lack some necessary infrastructure and knowledge of how to host tourists
- Enterprises unaware of potential tourism markets and the techniques to start working with tour operators
- Weak institutional basis – wineries not cooperating with food producers and accommodation establishments

Opportunities

- Small and exclusive tours combining food and wine with active pursuits and cultural activities
- Utilizing larger villas as temporary cooking schools

Threats

- Competition from other wine tourism regions – California, Australia, New Zealand, Italy, France, Spain, Germany

Recommendations

One of the biggest problems that Croatia faces is the fact that few people outside the country are aware of its wines and its cuisines. If they did, then there would be more demand for wine and culinary tourism itineraries. A target marketing effort is required to create this awareness. They could for example:

- Invite newspaper journalists specializing in wine and food to Istria to introduce them to the products on offer. There are also a number of magazines focusing on food and travel that may be interested in running feature articles
- Organize a familiarization trip for tour operators already with wine and culinary tourism itineraries elsewhere in Europe
- Create a dedicated consumer brochure for wine and culinary tourism – they already exist for marine tourism, fishing, hunting and other
- More dedicated information on the national and regional tourism websites

Tourism enterprises in Istria and Croatia need to have a better understanding of the wine, culinary and gastronomy tourism segment. This can come from training and perhaps an organized trip to Italy to observe how the operations and promotion are organized there. Enterprises need to examine the tourism brochures of overseas outbound operators to see the types of tourists undertaking the trips, how long they are for, the activities undertaken and the packaging. Wine and food producers need some training in hosting tourists, how they need to undertake tours of their establishments and how to present their products in a manner that will encourage sales.

With poor networking amongst food and wine producers, travel agents and accommodation establishments it's no surprise that the segment is not more popular. Accommodation providers are expecting wineries and olive growers to be more proactive and vice versa. Support is needed to build capacity between stakeholders, enabling them to all realize that they have a part to play in building an itinerary and presenting that to overseas operators. Hopefully existing channels of regional associations can be utilized.

Inn to Inn Tourism (Equestrian, Cycling, Walking)

Market Profile

Inn to Inn tourism does not appear to be a clear market segment in itself. Instead it combines the characteristics of soft adventure tourism with rural tourism/agritourism and possibly wine/gastronomy tourism (above). In essence it involves traveling between rural hotels or agritourism enterprises by bike, foot or horse. The fact that it is soft adventure suggests that hikes are only a few hours each day and bike tours may be provided with van support. Although there is physical activity involved participants also enjoy stopping at cultural and historical attractions, good restaurants and perhaps wineries and local food producers. Inn to inn tours can be guided or self-guided.

A 2004 survey of adventure tourists examined traveler characteristics, trip-related factors in the decision making process and perception of adventure travel. Cluster analysis identified six distinct adventure traveler subgroups:
1) General enthusiasts
2) Budget youngsters
3) Soft moderates
4) Upper high naturalists
5) Family vacationers
6) Active soloists

Given the infrastructure and tourism services available in Croatia, and in particular Istria, the suitable markets to target would be the general enthusiasts, soft moderates and family vacationers.

A 1996 survey of Canadian tourists identified a number of characteristics of outdoor/adventure travelers:

- They respond to a wide array of travel motivators including adventure, excitement, outdoor recreation, physical activity, personal challenge, opportunity for educational experience, and environmental conservation.
- Adventure travelers expect to experience activities of varying degrees of risk and excitement, and are looking for personal growth and achievement.
- Demographically, adventure travelers can be typically characterized as; between the ages of 25 and 50; traveling alone, in couples or small groups; enjoy a relatively high level of disposable income; and often employed in professional or managerial occupations
- Participation rates are generally higher for those aged 45 and younger; particularly those in the 25 - 44 age range, and for the more highly educated and higher income groups
- Generally 50% of all outdoor participants have attended college and 1/3 are college graduates
- Adventure travel is increasingly becoming "main-stream" - being sought by a much broader group of nature/outdoor-oriented people. Today, adventure travelers now often include families and seniors.

- Adventure/outdoor travelers tend to take several vacation trips per year, often seeking out new and different destinations and experiences.

Adventure tourism has been one of the great growth markets of the 1990s. Growth is expected to continue, but not at the same rate. As well, it is likely that there will be more interest in soft adventure activities, given the aging of the population. Adventure travelers are increasingly seeking out experiences that incorporate a number of different activities, such as hiking, kayaking, bird watching and cycling all in one tour rather than just one activity. There is an increase in the number of women participating in activities such as camping, hiking, biking, rock climbing and whitewater rafting. Participation in strenuous activities such as rock climbing, jogging, and backpacking shows notable decline after middle age; the decline is less pronounced in activities such as bicycling, cross country skiing, nature observation and walking. Because of time constraints and limited leisure time, there is increasing demand for outdoor recreation opportunities close to home.

Examples of inn to inn itineraries can be found at:
http://www.auswalk.com.au/blue-mountains-walking-holiday.html
http://fodors.iexplore.com/itinerary/result/36490
http://www.distantjourneys.com/travel-france/provence.html
http://www.adventureguidesvt.com/Mountain_Biking.htm
http://www.alpinehikers.com/itinerary8.html

Itineraries are typically anything from 4 to 10 days in length with group sizes of 5 to 12.

Inn to Inn Tourism in Croatia

There is little structured inn to inn tourism existing at present in Istria or Croatia although the infrastructure for such type of tourism exists. Horse riding and cycle hire facilities are evident. In fact there are a network of cycling routes already outlined (http://www.istra.com/zupan/eng/bike.html).

There appears to be few equestrian tours in the Istrian region at present. Calypso travel based in Croatia offers a 3 day or 7 day horse riding tour (www.calypso-travel.com/eng_aktivni_odmor_jahanje.html) for experienced riders. Concorde travel, based in Ireland, offers a multi-activity package in Croatia that includes horse riding (www.concordetravel.ie/specialinterest/adventureweek). The Adventure Company (UK) offers horse riding and biking activities elsewhere in Croatia (www.adventurecompany.co.uk/trip-details.aspx?productid=33071)

More operators appear to offer cycling tours in Istria and Croatia. Saddle Skedaddle, a UK company offers an 8 day Istria tour between June and September with four annual departures. Their itinerary can be found at www.skedaddle.co.uk/product.asp?ID=99. They highlight the accommodation as being agritourism and the routes can either be guided or self-guided.

Other cycling companies include:
Baumeler – Swiss – www.baumeler.ch
Consul Reisen – Austrian – www.consul.at
Pure Adventure – US - www.pure-adventures.com/tours/croatia.htm

2WheelTrek – UK - www.2wheeltreks.co.uk/cycling_croatia.htm
Beyond Boundaries – US -
http://www.beyondboundariestravel.com/barge_bike/biking_croatiaaistria.html
Some of these operators combine cycling trips with boat trips.

Walking tours include those offered by:
Headwater - UK - www.headwater.com/cgi-local/itinerary.cgi?W10CR-.0
Concorde Travel – Ireland – www.concorde.ie
Bosmere Travel – UK – www.bosmeretravel.co.uk

SWOT Analysis of Croatia's Inn to Inn Tourism Industry

Strengths
Abundance of natural, cultural & historical attractions
Abundance of food and wine attractions
Rural landscape and traditional villages
Established walking and cycling routes
Good quality accommodation suitable for market

Weaknesses
Institutional environment not well developed
Horse riding facilities not up to international standards
Poor networking between service providers
Poor knowledge of potential opportunities
Equally good soft-adventure inn to inn tours elsewhere in Europe

Opportunities
Development of small group or self-guided inn to inn tours for markets in Western Europe and North America combined with the unique attractions of Croatia

Recommendations

The recommendations for developing inn-to-inn tourism in Croatia are mirrored by those for developing agritourism and wine/culinary tourism. The major challenges include creating greater awareness, training enterprises and service providers, creating cohesion and greater networking capacity and product development.

The best opportunity for developing inn-to-inn tourism will be to combine all the unique attractions that Croatia has to offer. An itinerary that will sell well will involve cycling, walking or horse riding with quality accommodation establishments, trips to local food and wine producers and excursions to cultural attractions.

Although cycling routes are already established, the information detailing these needs to be improved to promote a higher quality product. The horse riding facilities need some renovation to promote professionalism and safety.

Other Potential Markets

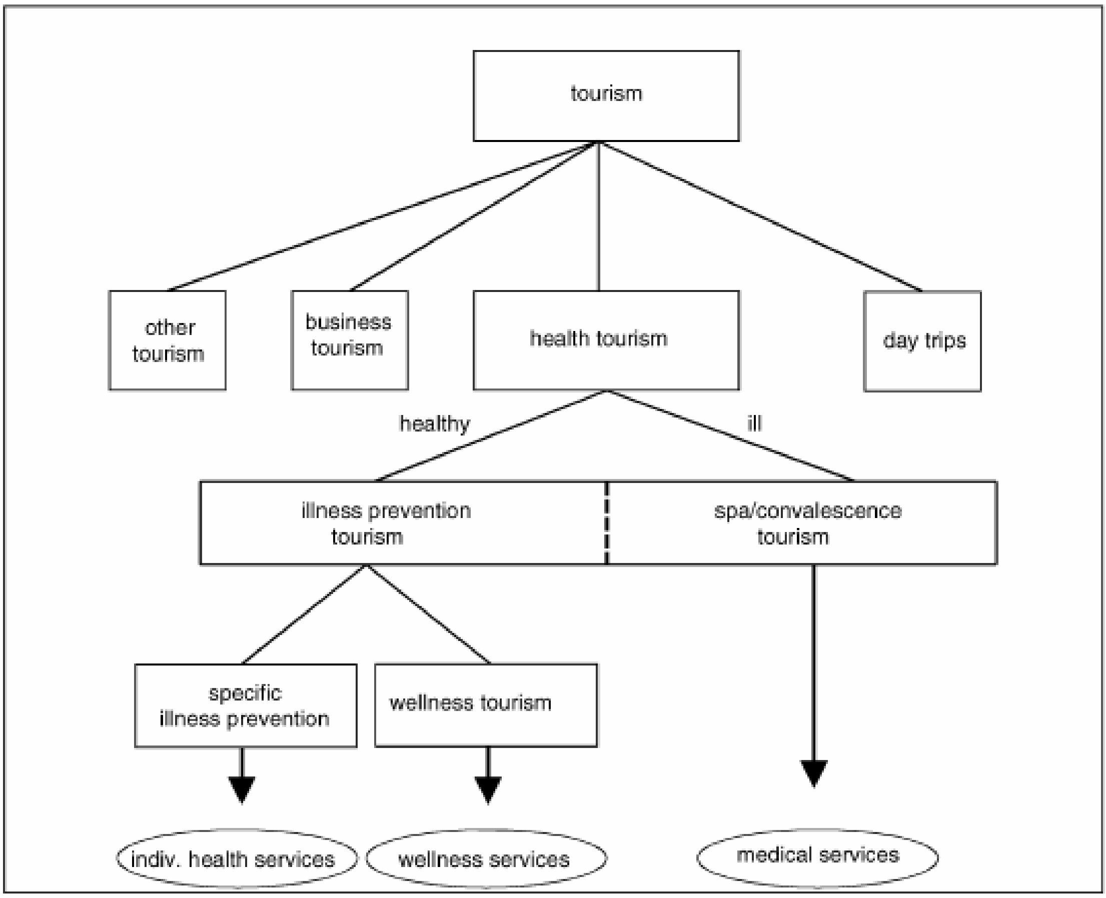
Although not investigated in significant detail, it appears that there may be opportunities in three other markets. These markets are outlined below but due to research time available in Croatia, no SWOT analysis has been undertaken, nor have recommendations been made.

Wellness Tourism

Wellness tourism is the sum of all the relationships and phenomena resulting from a journey and residence by people whose main motivation is to preserve or promote their health. They stay in a specialized hotel which provides the appropriate professional know-how and individual care. They require a comprehensive service package comprising physical fitness/beauty care, healthy nutrition/diet, relaxation/meditation and mental activity/education. *(Definition developed by the Research Institute for Leisure and Tourism, University of Berne, Switzerland)*

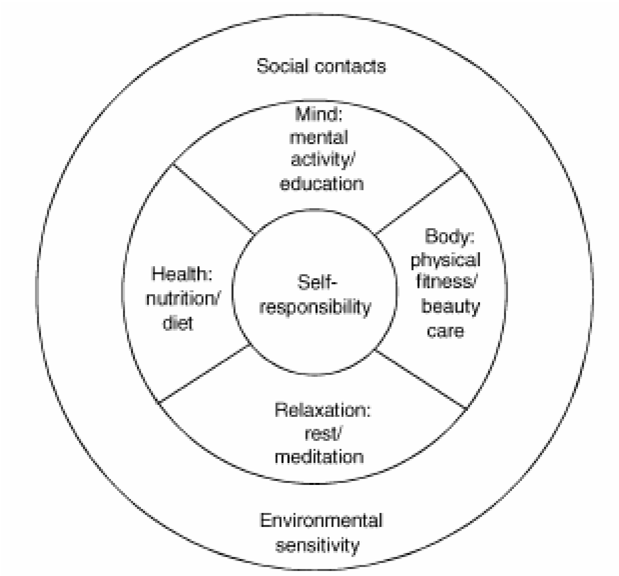
Adapted from 'Wellness tourism: Market analysis of a special health tourism segment and implications for the hotel industry', Hansruedi Mueller and Eveline Lanz Kaufmann, Journal of Vacation Marketing, 2000

Figure 11. Wellness Tourism as a part of the Tourism Industry



As the diagram above shows wellness is different from seeking active illness prevention or convalescence. Essentially, wellness is all about providing treatments to well people. The important aspects of wellness tourism are outlined below:

Figure 12. Components of the Wellness Tourism Industry



The increased demand for wellness tourism is driven by an ageing population, a growing awareness of health threats, a desire to improve healthy living and diet and consumer behavior. Its popularity is enhanced due to the fact that wellness treatments are not hard work; not like undertaking a fitness regime.

A study of wellness guests in Switzerland highlights that even more important than actual facilities and service available are the hotel atmosphere and its surroundings. Weaknesses take the form of no non-smoking areas, insufficient information about health topics, inadequate relaxation and cultural facilities, and a lack of health tips the guest can use back home.

The cluster analysis of the Swiss study came up with four guest segments: `demanding health guests', `independent infrastructure users', `care-intensive cure guests' and `undemanding recreation guests'. The main distinguishing characteristics are the importance of software and/or wellness facilities, as well as the relevance of the recreation and/or health promotion motive. At around 40%, demanding health guests are the largest group, attaching great importance to care and information as well as professional competence and comprehensive wellness amenities. Women make up more than three-quarters of this group, and their average age of just under 48 is the lowest. One-third of these guests spend their holiday alone, and just one-quarter with their partner. In this group, the main reason given for the stay (promoting health) was of above-average importance.

Just under one-quarter of guests, as independent infrastructure users, attach no great importance to guest care, information or professional know-how but greatly appreciate wellness facilities such as a whirlpool, steam bath, sauna and swimming pool. Other wellness amenities such as healthy nutrition, relaxation or culture are less important. This group of independent infrastructure users is the only one with a majority of men (54%), who are usually on holiday with their partners. The average age for this group is 49 and, at 80%, the proportion of graduates or those with a higher professional qualification is exceptionally high, while the average stay of 6.5 days is by far the shortest.

Care-intensive health guests account for about one-fifth. They cited healing/therapy/convalescence as the main reason for their stay, and health promotion was another important factor for them. Consequently, they attach great importance to medical competence as well as to individual care and advice. About 60% of this group is women, with an above-average proportion of singles, and the average age is around 53. At slightly over ten days, care-intensive health guests had the longest average stays.

Undemanding recreation guests ranked the importance of nearly all the particular wellness components and parameters lowest. At 14%, they were the smallest guest group. More than half of these guests give recreation and relaxation as the main reason for their stay. The wellness infrastructure, guest supervision and information are not important for this group, which appreciates a swimming pool above all else. Health promotion or convalescence is not relevant for these guests, whose most frequent objective is to enjoy themselves and let themselves be pampered. Undemanding recreation guests have the highest average age (approximately 58), and the percentage of women (a good 50%) is below average. The average stay for this group of guests is just under nine days, and in an above-average number of cases this time is spent with their partner or family members.

Challenges within the wellness tourism industry globally include the lack of a classification system and promoting a segment which is difficult to define. Although many people may purchase wellness products, they are not aware that this type of tourism exists. However, health tourism can now account for up to 15% of the total European holiday market and the demand is forecasted to continue to grow. Some countries are harnessing this trend. For example, Hungary declared 2003 as their year of health tourism. Both Monaco and Germany have focused on promoting wellness. Major destinations now include Thailand, Hungary, Germany, Austria, Japan, India and Switzerland, in no particular order.

Wellness tourism has advantages; it is not tied to particular seasons, average lengths of stay are longer than other segments, expenditure is high and it compromises other high value service packages.

A few hotels in Istria are attempting to offer wellness facilities and services but they are not currently to international standards. A minimum of facilities and services are required and yet these minimum standards have not been reached. Istria certainly has the pleasant surroundings required but simply having a swimming pool, sauna and perhaps Jacuzzi, along with a masseuse are not enough (see www.istraturist.hr/Home.aspx?PageID=174, http://www.hotel-miramar.info/level3/index.php?fID=1&lang=2 & http://www.riviera.hr/eng/objekt.aspx?id=hDiamant). As the Swiss report indicates, the quality dimension of wellness services is increasingly becoming the decisive competitive factor. Major investment is required in upgrading facilities and services. Additionally, a conscious effort is required to move away from the Soviet idea of sanatoriums.

A simple search of wellness or spa uncovers a wide variety of treatment possibilities. The international spa association (www.experienceispa.com) has many reports providing background data and trends within the spa and wellness industry

MICE Tourism

MICE is an acronym of Meetings, Incentive Travel, Conventions and Exhibitions, commonly used by the travel industry when referring collectively to group business travel.

According to a WTO Report published in 2003, there were a total of 20.1 million outbound MICE trips in 2000. This represents 6% of all outbound trips undertaken by Europeans. 48% of trips were for conferences/congresses/seminars, 42% for exhibitions and trade fairs and 10% incentive travel. The leading outbound countries for MICE trips were Germany, France, Switzerland, Spain, Italy, UK and then Scandinavia. Three of the top five originating markets are in close proximity to Croatia and therefore an indication of potential. In terms of destination countries for MICE tourism, Germany, France, Italy, the UK and Austria top the list. Between 1996 and 2000, the average annual growth rate of MICE tourism was just more than 10%.

The Croatian Convention and Incentive Bureau have produced an impressive catalogue of convention centers throughout the country comprising hotels, universities, academies and concert halls. Many of the properties have some historical charm. As well as promoting this market more widely, Croatia could also look at promoting to small MICE groups. The quality of many villas in Istria was of a high enough standard to accommodate small groups of business people requiring time away from the office for either leadership/teamwork courses or meetings.

Hunting & Field Sports

Field sports is a general term to cover angling, hunting and shooting, conducted largely on or over private land, frequently in some form of multiple land use. Angling and shooting, as well as being undertaken by landowners and their friends, are let commercially to visitors, particularly for game fish and shooting of grouse, pheasant and red deer, angling and shooting may also be available to those staying at hotels.

No research was undertaken in Croatia to ascertain the types of field sports that could be accommodated and therefore no research has been undertaken into the profile of various types of tourists that may undertake the varied activities. The Croatian Tourism Board has produced two brochures for this segment. The first on fishing outlines the types of fish that can be caught in the various rivers in Croatia. The second brochure on hunting divides Croatia up into its regions and indicates the game and animals for hunting in each location.

Tourism Research & Market Development – Opportunities & Constraints

The information provided within this report covers briefly the profiles of outbound travelers from 17 originating markets as well as profiles of four pertinent activity markets and four other potential markets. This information now provides foundations for creating new touristic products and selling these products to targeted markets. The next stage is to build capacity within the industry, provide training and a greater understanding of how the tourism industry works.

Whilst undertaking the research, the consultant was constrained by the availability of information on both geographical outbound and activity based market research. In addition, data that has been found is not collected using the same methods. For example, some of the data focuses on visitors, some on tourists and others on leisure tourists. Data is not collected in the same year for all countries making comparisons difficult. For some countries data was very limited and further research will be necessary.

As has already been mentioned further sources of information include the World Travel Monitor and the European Travel Monitor produced by IPK International and research undertaken by Mintel. The internet has been a primary source of information in research and further searches may uncover other important and unpublished results.

Additionally, a survey of incoming tourists to Croatia already undertaking some of the activities listed above may serve to provide more detailed market profiles.

Further opportunities for research exist in the markets for wellness, hunting and MICE.

Annex A. Geographical Market Profiles

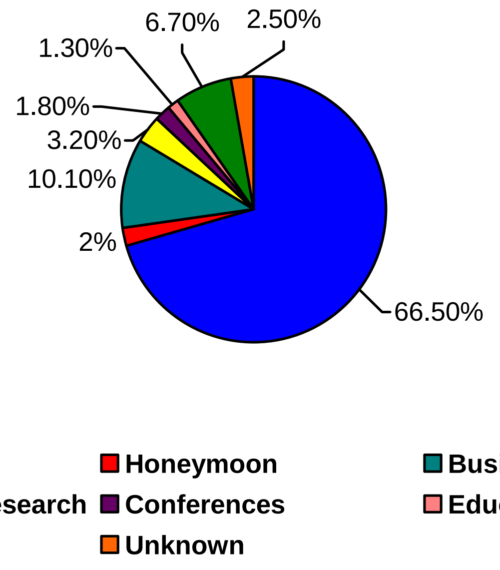
Japan

Adapted from information available from VisitBritain (www.traveltrade.org.uk), Tourism British Columbia (www.tourismbc.com), the Japanese National Tourism Organization (www.jnto.go.jp), Japan Tourism Marketing Company (www.tourism.jp), Tourism Australia (www.tourismaustralia.com), JATA (www.jata-net.or.jp), Industry Canada (http://strategis.ic.gc.ca/engdoc/main.html), European Travel Commission (www.etc-corporate.org), and the World Tourism Organization (www.world-tourism.org). Additional information from 'Changes in Leisure Time: The Impact on Tourism', 1999, World Tourism Organization, Madrid; 'The Japanese Outbound Travel Market, Presentation to TIA Marketing Outlook Forum (http://www.tia.org/Program/mof_ppt04/k_saiga.ppt)

A large amount of research on the Japanese Market is presented in the publication 'Outbound Tourism of Japan – Market Profile' published by the World Tourism Organization. The information below is used to update and supplement information in that publication. Comprehensive and recent data is available in the publication 'JTB Report 2004: All about Japanese Overseas Travelers', obtainable from the Japan Tourism Marketing Company (www.tourism.jp).

16.8 million Japanese traveled abroad in 2004, approximately 13.13% of the total population. This represents an increase of 26.6% on the previous year although such a value is distorted by somewhat erratic departures behavior in the past ten years due to SARS, the Asian Economic Crisis and terrorism activities.

Figure 13. Purpose of Visit for Outbound Japanese Travelers

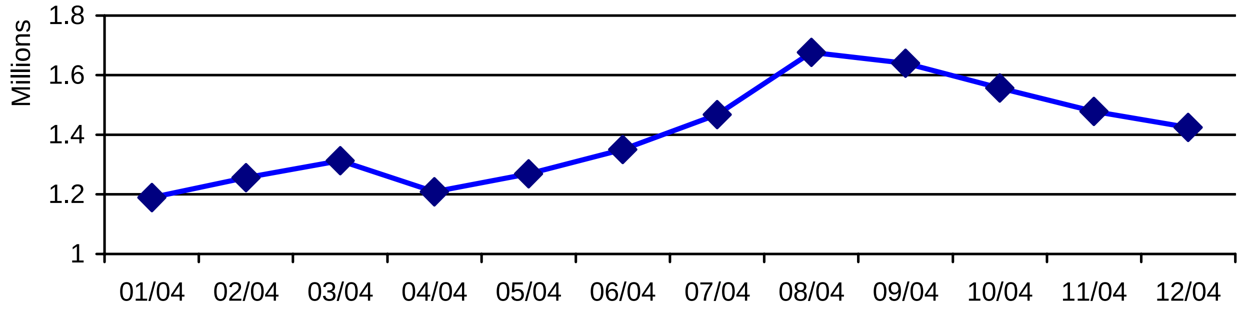


Most travel is undertaken intra-regionally (43.1%) with 8.9% to the US mainland, 3% to Canada, 16.7% to Hawaii and the Pacific, 5.5% to Oceania, 17.6% to Europe and 5.1% others. Within Europe, France, Germany. Switzerland, Austria and the UK are popular destinations. 53% of travel is single destination.

The majority of outbound travel is classified as 'sightseeing'; what the WTO may term Leisure/Recreation/Holiday. The second largest group is business travelers. Purpose of travel is outlined in the chart above. Japanese travelers are particularly interested in nature/scenery and historical sites/architecture. Shopping is a close third.

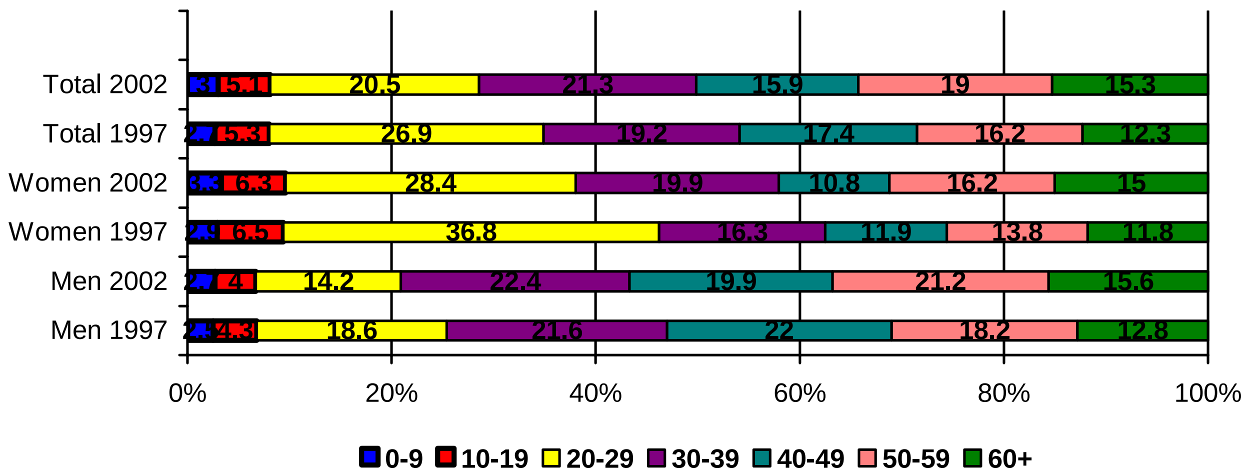
The Japanese travel year round although peak departures take place in August, September and October. The average traveler is becoming more discerning and sophisticated, gradually taking responsibility for his own travel plans, and seeking value for money and lifestyle experiences

Figure 14. International Outbound Departures from Japan (2004)



Average length of stay in 2001 was 8.7 days. This has increased since 1996 by almost 1 day. Most outbound travel is by air (98.65%) with the most popular airports being Narita (50.4%), Kansai International (25.4%) and Nagoya (10.2%).

Figure 15. Demographics of Japanese Outbound Tourists



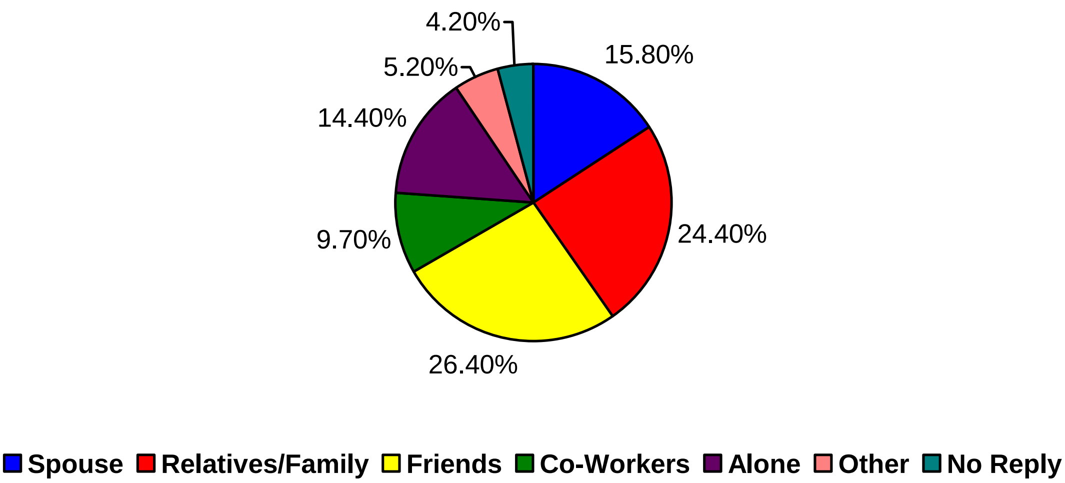
Total travel expenditures are decreasing each year. Trip costs in 2001 averaged $1250, expenditures during the trip $374, shopping expenditures $519 and other expenditures $114; a total of $2257. Total trip expenditure in 1996 was $3107.

Japanese of all ages travel overseas. Those in their 30's travel most and those under 20 the least. The average age of the female Japanese traveler is younger than that of the male traveler. However, the average of the male traveler has increased since 1997 and the average age of the female traveler has decreased. The Japanese have the world's highest life expectancy and an ageing population whose lifestyle is changing to include more travel.

Much of the outbound travel is undertaken with families (comprising spouses and relatives), whilst only 14.4% travel alone. 85% of Japanese consider themselves to be middle class.

Package tours account for 48.2% of outbound travel and individually arranged travel for 37.1%. Group travel accounts for 6.2%.

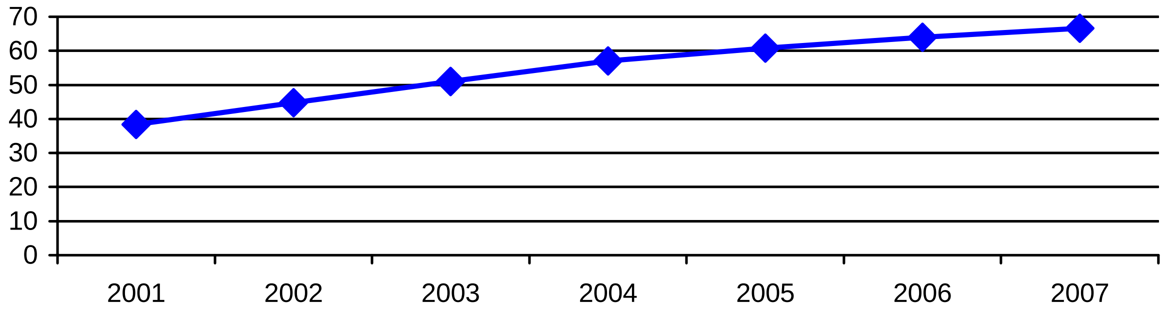
Figure 16. Traveling Arrangements for Japanese Outbound Tourists



More than 50% of the Japanese population has access to the Internet and this figure is projected to grow still further to reach almost 70% by 2007. Of this 50% almost two-thirds have broadband access. According to a 2002 study undertaken by Nielsen/NetRatings, 28.73% of active Internet users accessed travel websites in December 2002.

Japanese travelers to Croatia currently total just over 16,000 per year. This has increased by an annual average of 38% since 1999 and Japanese visitors currently form 0.22% of Croatian arrivals.

Figure 17. Percentage of Internet Users in Japan



Japanese employees are entitled to two to four weeks leave, but complete annual leave is seldom taken. Any leave over four consecutive days is considered long and typically 40% of annual leave tends not to be taken by employees due to current work culture. However, the trend is towards longer leave. This does not automatically lead to longer holidays; rather the propensity is for more holidays of shorter duration. There are 14 public holidays. School holidays are taken as follows:

March/April	12 days
July-August	43 days
December/January	14 days

There is a growing importance of school trips and educational tours in the Japanese market.

Caring for the Japanese visitor **(www.tourismtrade.org.uk)**

Japanese travelers want more opportunities to observe local culture, history and daily life – a shift from 'visual' tours to 'journeys of experiences'.

The essence of success in the Japanese market lies in making efforts to understand the Japanese customer's mind. The Japanese emphasize quality, human relationships, perseverance, value-for-money and long-term commitment.

The Japanese are discerning and demanding customers. A little extra care or attention can make a difference: a bar tariff available in Japanese; a speedy group check-in etc. Cultural differences and language barriers make it difficult for the Japanese to complain or ask for improved service. But when they return to Japan, they will tell their friends and family, and the tour organizer will be contacted and complaints made.

- Japanese language is a must: literature, instructions, guides and travel information either online or offline.
- Safety: Japanese travelers are very sensitive on safety issues.
- Quality products: value-for-money is the key.
- Polite service: the Japanese are used to good, clean, polite service.
- Personal interest in clients: all staff must be prepared to attend to any problem.
- Fast service: quick service, breakfast buffets, set-meal lunches and express check-in for groups.
- Unique sights/experiences: it has to be worthwhile traveling round the world to see/do.
- Sensitive service: it is difficult to adapt to foreign culture.

- Light meals: the Japanese are used to small, fresh meals especially fish. Fruit is preferred to sugary sweets.
- Efficient problem solving: apologize first (this does not imply acceptance of liability).
- Know the escort: the customers give you little feedback; they are too embarrassed.
- Commission: many agents rely on commission from shops.
- Standardization: groups all like to have the same type of room.
- Twin rooms: Japanese couples prefer twin beds to doubles.
- Attention to detail: the Japanese like and notice small touches.
- A word of warning: the Japanese do not travel 7,000 miles to experience a re-creation of Japan. Be prepared to offer a real experience, but one that is sensitive to customer needs.

Media
The circulation of monthly magazines is about 2.8 billion and that of weekly magazines is about 2 billion. This suggests the average Japanese reader buys over 30 magazines a year. With so many titles available, it is hardly surprising that identifying the most appropriate title can be difficult, especially when the advertiser is foreign and the environment uncertain. There has been consolidation in the number of consumer travel magazines. *Abroad* magazine alone now dominates the mass-market consumer travel magazine sector.

The Advertiser's Guide to Magazines in Japan is the best English language source of information on magazine advertising, and is available from: The Japan Magazine Advertising Association (http://zakko.or.jp/eng).

Doing Business with the Japanese (www.tourismtrade.org.uk)

Japanese companies see quality, commitment to the customer and value-for-money as essential and will not compromise on them. You must convince your Japanese customers that you will not compromise either. Getting business from Japan depends very often on personal contact. Effective personal contact can only be developed over time, either through a series of visits to, or representation in, Japan.

Once you understand the concept of 'honne' and 'tatemae' you will find it easier to build relationships with the Japanese. It will also help you get over the feeling that sometimes the Japanese say one thing but mean, or do, another. Very generally speaking 'tatemae' means the truth for public consumption, the general principle or public face. 'Honne' is the real truth; the truth in practice as it operates within a company. You should aim for 'honne' in developing business but at the same time show great respect for 'tatemae'. It is hard for Westerners to fully appreciate or understand these concepts. An awareness of them will help you.

- Ensure you understand the basics of Japanese culture and business methods.
- Be clear with your marketing concept and business strategy for selling your product to the Japanese market.
- Introductions: things go more smoothly if an acquaintance of a Japanese businessman or official arranges an introduction first.
- Key contacts: find the key contact, usually at mid-management level. Every three to four years managers are shuffled around their organizations, so it is important to keep in regular contact.

- Initial interest: on your first visit your sales calls may not generate any business. Do not be misled by any apparent interest in your product. A trusting relationship must be built before anything but chance business materializes.
- Face-to-face contact is far more effective than any other form of contact. Decisions in Japanese firms are usually taken after a consensus has been reached. If the Japanese are slow to respond to your proposals it could well be because of the internal search for a consensus. It could also be because they are testing your commitment.
- Commitment to the market: You must be prepared to take a log term view and persevere in the market for at least 3 years, and modify your product to meet Japanese needs where necessary. Keep the visits going; send messages and New Year cards.
- Letter writing: your letters may not be answered. Decision-making may be slow or it may simply be that the Japanese prefer to wait for the face-to-face contact.
- Name cards: have lots (Japanese on one side). These are exchanged immediately upon meeting. Present the card the right way round with two hands for the recipient to read. Treat your contact's card with deference.
- Giving: a small gift is common. Aim for quality. Price is less important. It must be nicely wrapped. Gifts are given just prior to leaving the office.
- Bowing/handshaking: most Japanese you meet are used to shaking hands. For bowing there is a complicated etiquette. A slight bow in response to a Japanese bow is all that should be attempted.
- Language: being accompanied by a Japanese speaker will help a lot. Most Japanese selling travel speak fair English.
- 'Hai' and 'Yes': Hai is ambiguous with many meanings. Please understand that apparent agreement should not always be taken at face value.
- 'No': one of the cardinal rules in conducting business conversations is never to cause discomfort. Thus a blunt 'no' is a faux pas.
- Promotional material: this should be in Japanese with full details. Limited holiday time means the Japanese need to plan before they depart.

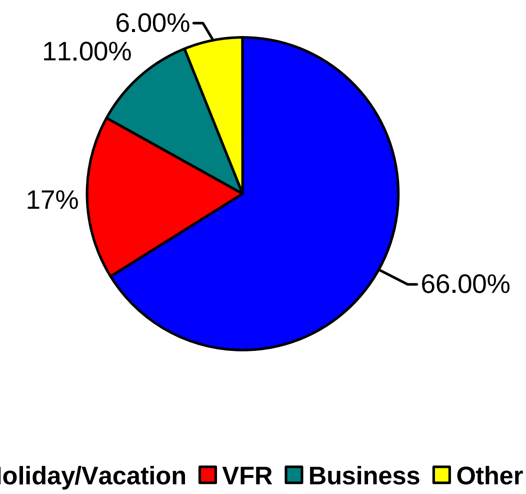
The main travel fair in Japan is the JATA World Tourism & Congress Travel Fair held annually in September (www.jata-wtf.com).

Canada

Adapted from information available from VisitBritain (www.traveltrade.org.uk), Tourism British Columbia (www.tourismbc.com), Tourism Australia (www.tourismaustralia.com), Industry Canada (http://strategis.ic.gc.ca/engdoc/main.html), European Travel Commission (www.etc-corporate.org), and the World Tourism Organization (www.world-tourism.org). Additional information from 'Changes in Leisure Time: The Impact on Tourism', 1999, World Tourism Organization, Madrid

17.7 million Canadians traveled overseas in 2003, up by 0.2% on 2002. 12.7 million of these were to the US and 5 million elsewhere, the latter representing an increase of 8.4% on 2002. Intra-regional travel has performed better than inter-regional travel for the past 10 years. Between 1985 and 1997 intra-regional travel increased by 42% compared to 6% for inter-regional travel. The relatively small increase from 2002 has been attributed to SARS and the war in Iraq. Europe remained the number one destination after the US receiving 49% of non-US arrivals. Within Europe the most popular destinations were France, Germany, Italy, the Netherlands and Spain

Figure 18. Purpose of Visit for Outbound Canadian Travelers



The proportion of leisure travel has increased since 1997 at the expense largely of the business travel market.

In 1997, average spend per trip was US$550 and the average length of stay, 10.4 days.

Vacations are primarily arranged through retail agencies distribution channels whether it is in-person, telephone or online. Growth in e-commerce in Canada over the past year has been fuelled predominantly by travel spending. 73% of consumers planning to visit Europe will search the Internet to help plan their trip. Lead-time for booking has continued to shorten with 38% of international trips now being booked 1 – 6 weeks before departure. This trend has forced fundamental changes in how travel is marketed, promoted and sold.

The European Travel Commission estimates that 72.9% of the Canadian population is online (57% of these with broadband). This represents the most internet-savvy country yet whilst Canadians like to get information they are not very happy to part with cash through e-commerce. The most significant trend in the industry is the growth of internet access amongst the older generation. Some 60% of over 55's now have access and are increasingly looking for travel options. In the past two years, nearly six in ten (57%) Canadians who have ever taken a vacation have used the Internet or visited a website to get information about or research destinations for pleasure or vacation trips. 34% have used the Internet to book or pay for a vacation.

In 2003, 19,040 Canadians visited Croatia. This is an annual average increase of around 24%. Canadian arrivals now constitute 0.26 of total market share.

Canadians have between 2 and 3 weeks annual leave which is supplemented by 11 public holidays. School holidays are as follows:

December/January	2 weeks
February	1 week
Easter	1 week
June to August	8 weeks

Caring for the Canadian Visitor (www.tourismtrade.org.uk)

- Canadians are knowledgeable independent travelers who are accustomed to a high standard of living, a quality service and expect value-for-money product.
- They require many products geared towards FIT such as car hire, rail, coach transport, accommodation ranging from Bed and Breakfast to 3-4 star hotels, cultural and heritage attractions, museums and galleries and events.
- The Canadian visitor is not an American. Although this may seem obvious, many treat Canadians as Americans even though they are quite different from their American neighbors.
- Display all charges clearly. Canadians feel cheated if there are additional fees to pay that they were not told about in the first place.
- Canadians are used to space and lots of room and would expect this in cars and hotel rooms.
- Canadians are used to an extremely high level of service. If something is wrong, they will be extremely polite when they complain, almost apologetic, however they will expect an immediate remedy to the situation!

Media

Due to Canada's vast area, newspapers tend to be more provincially based, with all major cities having at least one daily paper. The *Globe & Mail* and the *National Post* are national papers published in Toronto. Community and ethnic newspapers are also very prevalent in most cities and towns.

Four papers dominate the trade scene and are nationally distributed – *Canadian Travel Press, Travel Courier, Canadian Traveller* and *Travelweek*. In addition, www.openjaw.com, a travel trade web site, has revolutionized the delivery of industry news, product, pricing, etc. to the travel agents' desktop.

Doing Business with the Canadians (www.tourismtrade.org.uk)

- Product distribution to the customer has traditionally been through retail travel agencies.

- The rising importance and sophistication of travel Internet sites, together with global uncertainty, has lead more Canadians to take a “wait and see” attitude before committing to taking. This trend has forced fundamental changes in how travel is marketed, promoted and sold.
- Travel e-commerce has grown rapidly with the entry of new wed-based companies and traditional agencies offering a web site booking facility. Airlines and tour operators are placing more emphasis on direct sell.
- The majority of tour operators are based in and around the greater Toronto area with branch offices in other Canadian cities. There are some 5000 travel agencies although this number is reducing due to consolidation.
- Holiday travelers using a traditional travel agent have fallen to 51% in 2004 from 64% in 2002. While more Canadians are buying their travel on-line, this has not replaced the need for the storefront travel agent. What Internet travel sites have done is change the role of the travel agent. Internet travel websites perform a valuable service for Canadians looking for a flight, hotel and/or car rental for a domestic or US business or leisure trip. However, the same traveler will turn to a travel agent to help them with booking a package vacation or a group tour to Europe or Asia. The more complex and costlier the trip, the more likely is the traveler to use a travel agent. Agencies using a multi-channel approach seek to get customer to visit their website for product information and then either to book the trip directly on-line or to visit their nearest storefront agent.
- As the Canadian market is so advanced in terms of the Internet, if you want the consumer to book directly, you will really need to have a web-site with an on-line booking facility. Also, it is recommended that you purchase a toll free number to deal with consumer enquiries as it is unusual for a consumer to make a long distance phone call to book a product.
- Canadians tend to use British and not American spelling therefore your literature and correspondence should reflect this.
- English is spoken all over Canada. Quebec is the exception, although most in the travel industry will speak English as well as French. Montreal is a bilingual city.
- Follow-up is very important. Canadians like prompt answers to questions, whether by telephone, letter, fax or e-mail.

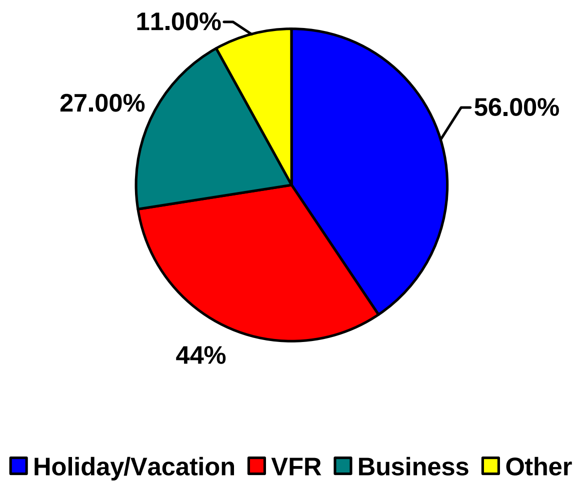
The main consumer fair in Canada is the Travel & Leisure Show – (www.travelandleisureshow.com) taking place each year in Toronto.

USA

Adapted from information available from VisitBritain (www.traveltrade.org.uk), Tourism British Columbia (www.tourismbc.com), Tourism Australia (www.tourismaustralia.com), Industry Canada (http://strategis.ic.gc.ca/engdoc/main.html), European Travel Commission (www.etc-corporate.org), Travel Industry Association of America (www.tia.org) and the World Tourism Organization (www.world-tourism.org). Additional information from 'Changes in Leisure Time: The Impact on Tourism', 1999, World Tourism Organization, Madrid

In 2003, 54 million visits were made overseas, the majority of which were intra-regionally to the Caribbean, Mexico and Canada occupying the top three positions. Worldwide departures excluding Mexico and Canada total 24 million. European countries occupy six of the seven remaining top ten destinations. In total, European visits represent 41% of all outbound leisure travel yet Central and Eastern Europe forms a very small proportion of these visits.

Figure 19. Purpose of Visit for Outbound US Travelers



More than half of US outbound travel was for holiday and vacation purposes. This is followed unsurprisingly in second place by those visiting friends and relatives.

The average length of stay outside the US for each trip is 15.8 for leisure travelers. The length of stay is typically higher for those travelers staying in private homes.

Most international travel is by air. The major hubs comprise New York (24%), San Francisco (10%), Miami (11%) and Chicago, Los Angeles and Washington DC on 6% each.

62% of outbound leisure travelers stay in hotels or motels followed by 48% in private homes. The fact that the total does not add up to 100% suggests that for some travelers, they stay in both types of accommodation on one trip.

Average travel expenditures for outbound leisure travelers totaled US$2,203 in 2003. Average package prices were US$1,894. At destination, per day expenditure totaled US$69.

According to the TIA, Americans like to undertake the following activities as part of a leisure holiday:

- Dining in restaurants – 86%
- Shopping – 79%
- Visiting historical places – 54%
- Sightseeing in cities – 46%
- Visiting small towns & villages – 46%
- Touring the countryside – 39%
- Cultural heritage sites – 34%
- Art galleries & museums – 30%
- Water sports & sunbathing – 30%
- Nightclubs/dancing – 26%
- Guided tours – 18%
- Concert/Play/Musical – 15%
- Ethnic heritage sites – 13%
- Amusement/Theme parks – 11%
- Visiting National Parks – 11%
- Casinos/Gambling – 10%
- Golf/Tennis – 7%
- Environmental/Ecological Sites – 7%
- Camping/Hiking – 6 %
- Cruises – 5%
- Attending sporting events – 4%
- Hunting/Fishing – 4%

52% of all outbound leisure travelers are male and the average age of male leisure travelers is 45 years; female 43 years.

Most Americans travel with their partners and families (65%) although individual travel still constitutes 35% of all leisure departures. 2% of travelers form part of a tour group. Average party size for leisure travel is only 1.6.

Short break holidays are becoming increasingly popular from the US as are spa holidays. Research suggests that more than a third of all outbound travelers would enjoy a spa vacation.

Few US citizens (15%) tend to book pre-paid packages for travel. Instead they look at the options available to them and build up their own package by booking individual components themselves. However, the travel agent remains important for arranging these individual travel components. 42% of outbound flights were arranged by a travel agent followed by 24% for travel arranged directly with the airline and 23% online. Travel agents were also used significantly by the 53% of travelers that booked lodging in advance.

90% of leisure outbound travelers had previously traveled overseas. In fact most leisure travelers make 2.3 trips each year. Most visits are also single destination (84%).

38% of outbound leisure travel is undertaken by those with a professional/technical occupation. This is followed by managers/executives (23%), the retired (13%), students (8%), homemakers (6%) and government employees at (2%). The Hispanic and African American niche markets are considerable, tech savvy and have a strong propensity to travel. The gay and lesbian market has been very resilient. Again according to research, 24% of gay travelers have taken four or more outbound trips in the last three years.

Average household income for leisure travelers is US$106,200.

In the past two years the US dollar has weakened against the Euro making European destinations perceivably more expensive than they really are. Some American travelers are becoming more sophisticated, eschewing the traditional 'grand tour' in favor of self-improvement and self-enlightenment. In short, they want to return from a vacation feeling as if they have achieved or experienced something. VFR visitors are also a considerable source of income as in general only a small part of the trip will be spent with family and friends. Booking times are getting later with a larger proportion now taking place over the internet.

It is estimated that just over 70% of the US population is online. The online travel segment grew rapidly over the past three years, and growth is projected to be in the high teens for the next three years.

In 2005, nearly one-third of US travel will be booked online, with online agencies accounting for nearly half of that total. Percent of US leisure/unmanaged business travel booked online (2002-2006) is as follows:
2002: 15%
2003: 21%
2004: 27%
2005: 32%

Further information on internet use by Americans for travel can be obtained from http://www.etcnewmedia.com/review/default.asp?SectionID=11&CountryID=93

The US does not have statutory annual leave. In practice most people will have 10 days. In addition there are 9 federal public holidays spread throughout the year. Individual states may additionally have one or two of their own holidays.

School holidays are taken as follows:

April	1 week
June to mid-August	10 weeks
December to January	1-2 weeks

Americans are considered to be very hard working and various studies have shown that an increase in leisure time is unlikely at the present time despite employees showing a willingness to accept a cut in pay for more time away.

A trip decision is made on average 89.9 days before travel for leisure travelers Sources of information include travel agency (38%), internet (36%), airline (27%) and friends and relatives (18%)

In 2003, 65,430 US citizens visited Croatia. This is an average annual increase of just over 19%. US arrivals in Croatia represent 0.88% of total arrivals.

Caring for the American Visitor (www.tourismtrade.org.uk)

- Many flights from the USA to Europe arrive in the early morning. If you are your guests' first port of call from the airport, try and arrange for some form of hospitality and services when they arrive, especially if their accommodation isn't ready. This applies principally to business visitors and those on upscale FIT trips.
- Americans are used to larger rooms than are generally found in Europe and, without exception, to having private bathroom facilities.
- More inexperienced US visitors will also, as a rule, travel heavy, often with larger bags. If they are going to hire a car, for example, it is advisable to ask beforehand how much luggage they are taking/bringing.
- Americans may be perceived as demanding, will expect good value and will not hesitate to complain if something is not to their liking. Deal with any situation promptly and courteously.

Newspapers and magazines are extremely popular in America. Each city has its own newspaper(s), with only one or two being truly national. However, all have on-line editions that are read across the country. The range of magazines is somewhat overwhelming, with titles focused on every interest you can imagine. Details of US and international magazines and newspapers for consumers and travel trade can be accessed from www.mediafinder.com and www.journalismnet.com

Doing Business with the Americans (www.tourismtrade.org.uk)

The travel trade in North America is one of the most complex and certainly the largest in the world. The traditional retail and wholesale distribution systems continue to be in a state of flux because of amalgamations, new technology and alliances.

The independent travel behavior of the American traveler has contributed significantly toward the highly fragmented nature of the US distribution system. Each level of the chain can be bypassed for better price and service. This is being compounded as Internet usage for research and bookings increases. US consumers are becoming savvier when booking their vacations. Cost is the number one motivator for travelers, they are prepared to shop around and use the Internet as a research tool when planning.

When buying travel there are a number of distribution channels available to consumers. They may research and book their trip using a combination of traditional distribution partners and online options. The structure and function of distribution channels in this market are as follows:

Online

The Travel Industry Association reports the number of Americans who use the Internet to book travel online continues to grow. In 2003, 42 million used the Internet to book their trips, an 8% increase over 2002. The percentage booking 100% of their travel online grew from 23% to 29%. Airlines tickets continue to be the top travel product purchased online. The share of online travelers booking hotels grew from 57% in 2002 to 71% in 2003. The Internet is also an important part of the process of researching and booking vacations for American travelers. The majority of online travel bookings are simple, modular travel components such as air, land and car, although there has been significant progress towards dynamic packaging of leisure vacations. It is common for consumers to book domestic trips online however they lack confidence in booking complex, long haul itineraries. Vividence and PhoCusWright monitored 1,500 US consumers while they researched and booked vacations online. They found that 40% of vacation shoppers monitored book different travel services at different sites. While 18% booked all their vacation-related services at one site, only a small percentage of consumers say they booked no services online. The top four Internet Travel Retailers in the USA are: Expedia, Orbitz, Travelocity and Cheaptickets, who receive 49 million unique users a month.

Retail Agents

There are approximately 24,000 individual travel agency outlets and 80,000 travel agents. The majority of agencies are individually owned, although many are members of consortia or chains. Smaller agencies, normally sole-location operations in suburban areas, have traditionally controlled the lion's share of the leisure travel market, but in the current environment these agencies are now experiencing increased competition from the once corporate-only agencies. The majority of travel agents now charge a service fee for leisure or personal travel bookings. Only five of the top 50 retail agency chains make more than 30% of their gross revenue from leisure sales. The rest are driven by their corporate accounts and have only recently even acknowledged the value of the ancillary leisure business that some accounts afford. The main travel agency networks specializing in leisure travel sales are AAA and Liberty Travel. Travel agents generally have access to the Internet from their office location with 98.3% of American Society of Travel Agents (ASTA) agents reporting that they have Internet access at their agency. Online booking by agents was up in 2002 compared to the previous year with more than 76% of ASTA agencies reporting they have booked directly on supplier's Web sites compared with 52% in 2001. The number of travel agencies is declining, with 24,337 agencies at the end of 2002 compared to 27,235 in 2001 – a decrease of 18% in 12 months. Ten years ago there were 32,446 agencies. The biggest change to the retail travel industry is the fee structure, today just about every agency charges fees compared with 64% five years ago. Revenue from commission continues to fall representing only 68% of revenue in 2002 compared with 73% in 2001.

Agencies reported that 26%of their revenue is earned on individual international corporate travel, 37% of revenue is derived from individual leisure travelers on independent itineraries, 27% comes from individuals traveling on tour and vacation packages, and 10% from group sales and group tours. More than half of all agencies are affiliated with consortia or associations whose principal concerns are personal travel. Consumers who book through travel agents are more than twice as likely to hold a passport as those who do not use a travel agent.

The American traveler's reliance on travel agents in planning and booking vacations has lessened dramatically, largely as a result of the internet. The main association for travel agents in the USA is ASTA (American Society of Travel Agents). As of July 2004, there were 23,213 accredited travel agency locations in the US, according to ASTA. For more information see www.astanet.com.

While the air carriers have squeezed commission levels to cut costs, other types of supplier (wholesaler, tour operator, hotelier, cruise operator, car hire company etc.) continue to refine and cultivate their agency-based distribution channels. All types of travel supplier, reward exceptional performance with deepened commission levels. It is therefore advisable to work with agents if you have a product to sell that is commissionable. Agents are selling in tough times and are looking to sell products that they get commission on.

Wholesalers/Large Agents

There are more than 2,100 wholesalers in the United States. Most successful FIT wholesalers in the USA focus on a single destination or region of the world. Mergers, acquisitions and amalgamations of tour operators to form mega companies are a feature of the United States travel industry in recent years. The relationship between wholesalers and agents is becoming closer and more highly integrated.

Tour Operators

The two major associations for tour operators are the USTOA (United States Tour Operators Association) and CrossSphere formerly the NTA (National Tour Association). Many operators are also preferred suppliers of retail consortia, e.g. Vacation.Com, Virtuoso, and Ensemble Travel.

The planning cycle for operators depends on the size of the company and business focus. Many do have main season and off season product, so will engage in the buying process with suppliers in spring for the following year. Tour operators can get over 50% of sales from retail agents, especially on group business. Large operators employ sales reps throughout the USA to target agents and group organizers, paying higher commissions to large agency chains like American Express. Operators will tend to approach ground handlers for complex planning (non-profit) and some will end up working with a number of ground handlers depending on service and specialty they provide.

Tour Operators are a good sector to target in order to try and get them to include your destination or product in their programs. It may be worth looking at contacting operators through CrossSphere that has a large searchable database of US operators (www.crosssphere.com) or the USTOA (www.ustoa.com), although the latter are much larger operators. Other online sites such as www.specialtytravel.com can act as a useful database for niche market operators.

Non-Profit Organizations

In the US, Non Profit Organizations (NPO) such as art galleries, museums and alumni associations provide travel programs for their members/ 'friends' and donors. These 'affinity' programs have a strong educational focus relating to special interest areas of art, history, architecture, gardening, walking, theatre or music. The tour participants are generally people in their 50's and over. They are leisure travelers who are seeking new experiences, learning with like-minded people and personal fulfillment through travel (experiential travel).
Specialist 'suppliers' (tour operators) work closely with the NPO to arrange most of the tours. There are about ten top suppliers in the US including: Alumni Holidays International (Oakbrook, IL) Gohagan Travel (Chicago, IL), InTrav (St. Louis, MO), Elderhostel (Boston, MA), Academic Arrangements Abroad (New York, NY) and IST Cultural Tours (New York, NY). These companies manage 80% of the market.

- In the larger travel agencies, expect to see many agents, not always on one visit. Many larger agencies employ independent contractors who have their own clients and sub-lease their office space. Always leave more than one brochure with each agent.
- When calling on wholesalers, quote net prices, sufficient to allow them a 20% -25% mark-up, as they will have to relinquish at least 10% to a travel agent.
- The best times of the year to call are between January and April for travel agents and between April and June for wholesalers, for inclusion in the following year's program.
- As the US market is becoming so advanced in terms of the Internet, if you want the consumer to book directly, you will really need to have a web-site with on-line booking facility. Also, it is recommended that you purchase a toll-free number to deal with consumer enquiries as it is unusual for a consumer to make a long distance phone call to book a product.
- Research shows us that our customers expect detailed information delivered immediately customized to their needs, preferences and interests. Moreover, the explosive use of the Internet has seen us experience a 138% increase in e-mails and a 67% increase in Internet enquiries but a 68% decrease in telephone and walk in enquiries.

The major travel fairs in the US include:

- Destinations Showcase – Washington DC & Chicago
- International Adventure Travel & Outdoor Show – Chicago
- BizTravel Fair – Orlando
- MITM MICE – Orlando
- POW WOW – New York
- New York Times Travel Show – New York
- IT and ME Show – Chicago
- Adventure Expo's USA – throughout US at various venues
- Vacation Leisure and Outdoor Show – Texas

Further details on these travel fairs and others worldwide can be obtained from http://www.1world2travel.com/article.php?articleID=1050

Austria

Adapted from information available from VisitBritain (www.traveltrade.org.uk), Tourism British Columbia (www.tourismbc.com), Tourism Australia (www.tourismaustralia.com), Industry Canada (http://strategis.ic.gc.ca/engdoc/main.html), European Travel Commission (www.etc-corporate.org), Tourism Marketing Information System (www.tourmis.info) and the World Tourism Organization (www.world-tourism.org). Additional information from 'Changes in Leisure Time: The Impact on Tourism', 1999, World Tourism Organization, Madrid, and national statistical offices.

Austrians made a total of 6.12 million trips in 2002 and of those 3.91 million were abroad suggesting that Austrians prefer to spend their vacations out of the country. Total departures were down on 2001 by around 7%. Croatia is ranked third as a destination for Austrian travelers behind Italy and Germany. In 1996, Croatia was in 9th position. According to slightly outdated information from the WTO, intra-regional travel accounted for 94% of the total in 1997 despite inter-regional travel growing at a higher rate.

It is estimated that 75% of outbound visits are leisure related.

Like many other nations, expenditure is decreasing. Between 2001 and 2002, total expenditure declined by 13.8%. Average trip expenditure in 2001 was US$1978.

Austrians are increasingly choosing their holiday destination by an activity or by a special interest.

The Association of Austrian Travel Agents and Tour Operators suggested in 1999 the following forecasts:

- Increase in all inclusive holidays and self-catering holidays
- Growth for young people in beach, winter sun, touring and cultural holidays.
- Growth for families in beach, self-drive and theme park holidays
- Growth for seniors in cruises, walking, coach touring, cultural and health breaks.

Almost 57% of the Austrian population is online. A recent survey suggested that only 17% of online users had bought something online.

Austrians are entitled to 30 days annual leave in addition to 13 public holidays. School holidays are taken at the following times:

December/January	2 weeks
Easter	1 week
Whitsun	1 week
June to September	10 weeks
November	2 days

In 2003, 708,506 Austrians visited Croatia. This represents an average annual increase of around 12% since 1999. Austrian arrivals in Croatia represent 9.56% of Croatia's total arrivals.

Caring for the Austrian Traveler (www.tourismtrade.org.uk)

- Austrian visitors, especially the older Austrians, feel welcome if you know a few basic phrases in German.

- Recognize that Austrians are not Germans (nor French, nor Italians!). For example, if you intend to use flags to denote different language versions, then you must never use the German flag in isolation for German language print. Either the Austrian flag will also have to be used or simply the word ‘deutsch’.
- Cleanliness is of major importance to the Austrians. Tiled bathroom floors are certainly preferable to carpeted ones and shower cabins more popular than bathtubs. Provide en-suite facilities whenever possible.
- Very detailed information for all activities planned is very important for visitors. Usually they collect a lot of information and bring several guidebooks along. But be prepared for even more detailed questions about the area, events or suggestions for itineraries or places to visit.
- They can be very demanding and they are fast to complain if they are unhappy with a service or product. Don’t be shocked by their directness! If you give them the feeling that you take them seriously and if you try to deal with any problems promptly, they will be very grateful.

Austria has the highest media density in Europe with the four major daily papers being all based in Vienna and combined producing over half of whole print. Remaining the market leader in terms of quantity is *Neue Kronen Zeitung* with a circulation of 1,024,266, followed by *Kleine Zeitung*, *Kurier* and *Oberösterreichische Nachrichten*. These and most regional newspapers have travel sections.

Doing Business with the Austrians (www.tourismtrade.org.uk)

The Austrian travel industry has a structure very similar to the one existing in Germany where a few players dominate most of the industry. It seems likely that the Austrian travel industry will eventually consist only of large tour operators and travel agencies belonging to big groups, plus some small tour operators working on niche markets. As in Germany, the tour operators mainly sell through the retail trade and/or their own agency chains. Among the 10 largest tour operators, most are in the hands of German or Swiss companies.

In Austria, one third of the travel agents are also tour operators, with the distinction between tour operators and travel agents not as marked as, for example, in Germany. The German operator consortia, such as Thomas Cook, Rewe and TUI are also active in Austria (Thomas Cook with their brand Neckermann). Tour operators in Austria usually plan the forthcoming year’s program in September / October.

According to the Austrian Chamber of Commerce (Wirtschaftskammer Österreich, WKO), Austria has 2,450 travel agencies employing approximately 9,500 people – this is a relatively high density with about one travel agency for every 3,300 inhabitants. The majority of retail agents only sell operators’ programs and concentrates on products from the few big players to achieve higher commission levels. The Travel Star group was founded amongst other reasons to insure a better commission. As well as being Austria’s biggest travel agency group with 280 travel agencies, it now has the greatest turnover in the market. Most of the travel agencies’ revenue comes from packages, followed by incoming tourism activities, selling air tickets and business travel.

- The large tour operators research their main season programs between April and June. These programs are costed between July and September and launched in November/December. The smaller specialist operators tend to research their programs slightly later, July/September for a launch in January/February. Off-season/city-break operators research their winter programs in March/April, for launching in July/August.
- Provide the operators you are visiting with a comprehensive information pack (preferably in German) about your product.

The major travel fair in Austria is Ferien Wien with approximately 51,300 people visiting over the 4 day event. The visitor profile covers everything from youth to seniors.

A second fair is Ferien Salzburg formerly Tourf Salzburg. The show attracted 35,000 visitors in 2004. Most visitors are looking for detailed information to prepare for their holidays.

Belgium

Adapted from information available from VisitBritain (www.traveltrade.org.uk), Tourism British Columbia (www.tourismbc.com), Tourism Australia (www.tourismaustralia.com), Industry Canada (http://strategis.ic.gc.ca/engdoc/main.html), European Travel Commission (www.etc-corporate.org), Tourism Marketing Information System (www.tourmis.info) and the World Tourism Organization (www.world-tourism.org). Additional information from 'Changes in Leisure Time: The Impact on Tourism', 1999, World Tourism Organization, Madrid and national statistical offices.

Belgian outbound trips totaled 11.3 million in 1999 and the total nights spent abroad were 101.3 million. In 1999 the international tourism expenditure of Belgium, excluding international air transport, was US$10 billion, a 14.4% increase over the previous year. Approximately 50% of Belgians take a foreign vacation each year.

One in three Belgian tourists head for France. Spain (2 million) and Germany (1.1 million) were runners up.

Leisure trips account for 90% of total trips. Two thirds of leisure travel is for holiday, followed by VFR (19%). Among business trips, conference/exhibition/incentive trips account for 62% leaving traditional business trips with 38% of the share.

4% of Belgian outbound trips take place during the summer season (July-September) with a sudden drop in October

The average Belgian spends 8.9 nights abroad. More than half (53%) of the trips last between 1 and 7 nights. Trips to the UK were the shortest whilst long-haul were the longest.

Almost a half (49%) of the trips are made by car, followed by plane (33%) and coach/bus (8%).

Stays at paid accommodations account for 77% of all overnight accommodation. Of this 72% use a hotel, followed by holiday home (13%). Belgians are great lovers of value-for-money accommodation, and are especially interested in good quality B&Bs where they will receive a warm personal welcome.

Belgians in 1997 spent 612 Euros per trip and 67 Euros per night.

Local research indicates increasing consumer interest towards themed holidays and leisure activities in general. This trend has led to the emergence of new lifestyle exhibitions, which allow focus on specific audiences. Shopping is still very high on the list of priorities for the Belgian short break traveler abroad and so is eating - culinary experiences are very important. Belgians also love to walk, undertake adventurous pursuits (including skiing), enjoy the sun and beach and love visiting gardens and cultural events

Males (52%) are more likely to travel abroad than females (48%).
Whereas the 34/44 age group generate the most traffic (2.5 million trips), per head trip is high among the 15/24 age group (1.84). 38% of trips are taken by households with children. The mean size of households that took outbound trips was 3.2 persons.

51% of total outbound travel is arranged through trade pre-booking followed by no pre-booking (32%) and non-trade pre-booking (17%). Among trade pre-bookings, inclusive holidays account for 43%.

The Flemish region is responsible for half of the Belgian outbound traffic and Walloon region 31%. Whereas the population of Brussels is just 9% of the national total, it generated 19% of total trips. Large towns and cities are responsible for 49% of total outbound trips.

Internet penetration continues to increase. To date, 52% of Belgians have access to the internet. Obviously, the 15-34 age range represents a large majority of these surfers, but is being steadily followed by the 35-44 (71%) and 45-54 (64%) age categories. Travel represents the majority of online purchases in Belgium, but Belgians are still concerned about online payments.

Belgians have five to six weeks paid vacation of which two are often spent long-haul.

Belgian arrivals to Croatia totaled 72,989 in 2003. This represents a remarkable average annual increase of 82% since 1999. Belgian arrivals to Croatia now represent almost 1% of total arrivals.

Caring for the Belgian Traveler (www.tourismtrade.org.uk)

Belgians are good linguists and confident when traveling abroad. They are happy to speak English. The Belgian 'bon vivant' mentality means that Belgians are especially sensitive to good service, good food and comfort. Belgian visitors like to know what to expect. They like to be left alone to enjoy their visit at their own pace but they also appreciate guidance. In a B&B for instance, they will appreciate advice as to where to go in your area, what to do and where to eat. Belgians will not complain easily: if they are not happy, you won't hear about it immediately, but be sure that not only will you never see them again, but they will make sure their friends and relations hear about it!

The media is the key to reaching the vast majority of potential Belgian visitors. Most newspapers have their own holiday sections or leisure supplements and there is a wide choice of weekly special interest magazines. The growing short break market is in need of specific information, which can only be provided by this type of editorial, and which can not be found in traditional holiday brochures.

Key newspapers are *De Morgen, Het Nieuwsblad, de Standaard, Het Laatste Nieuws* (Flemish), *le Soir, La Libre Belgique* (French) and *Metro* in both languages. Useful magazines include Business Travel Magazine (www.bbt.be), Travel Biz (www.evolution.be) and Travel Magazine (www.travel-magazine.be).

Doing Business with the Belgians (www.tourismtrade.org.uk)

The Belgian travel trade is made up of tour operators, coach operators and travel agencies. In addition, associations such as walking and cultural clubs or evening college will also organize holidays for their members.

Tour operators sell their products through their own or independent travel agencies. Increasingly, they also sell directly to the consumer through the Internet.
Coach operators usually sell their products (coach tours) through their own or independent travel agencies.
Travel agencies usually sell products produced by tour or coach operators. Some travel agencies, however, also have a group department, which organizes holidays for associations.
As Belgium is a little under average on internet access European-wide, and as customer confidence in the internet (especially payments) is far lower than the Dutch/British levels, the travel trade is still very important, particularly for the purchase of transport tickets.

Belgian tour operators are always looking for new ideas and products in order to get one step ahead of the competition and respond to the 'tailor-made' preference of the ever-demanding holidaymaker. They usually go directly rather than using the expertise of ground handlers. The tour operating industry has changed considerably over the last few years with now only two market-leaders who share close to 80% of the tour operating market: TUI Belgium and Thomas Cook, with their different tour operating branches (brands) and also their own retail outlet networks. They are all located in the North part of Belgium (Flanders). The travel agencies are working closer with the major operators as this spares them time and money but often results in standardized products across the market.

While the total number of key tour operators is reducing, there are an increasing number of niche operators (special interest holidays such as cycling, walking, cultural, theme and garden tours). Unless one comes with a spectacular offer, the large companies reaching the masses are difficult to reach and influence, whilst smaller operations are easier to contact and can provide tailor-made services, but only to a small number of clients. Brochure planning takes place from January to March for the winter brochures (valid November to March) and June to October for the summer brochures (usually valid from April or Easter to October).

There are almost 2,000 retail outlets in Belgium - too many according to travel industry experts. Airlines will stop giving commission as from 2005 and the Belgian travel agents have to create added value to survive. In general, the agencies will sell tour operators' products, but some also have groups departments which plan special tours and excursions for an association or a newspaper to support an article about a special destination.

Tour operators start preparing their winter programs in March/April and their summer brochures in August/September. Avoid calls in July and the first half of August as people are generally on holiday.

It's generally easy in Belgium to get by with English. Flemish is the spoken language in the northern part of Belgium. If you cannot make yourself understood in English, only change into French if you are invited to. Do not suggest doing so yourself and do not produce literature in French when talking to a Flemish agent or vice versa.

The major travel fairs in Belgium include:

- Vakantiesalon, Antwerp
- Reisemarkt, Brussels
- Adventure Affair, Flanders
- Ski & Adventure, Antwerp
- VTB – Reishappening,
- Brussels Holiday Show, Brussels
- Salon de Vacances, Charleroi

- Countryside, Gent
- Salon de Vacances Brussels

Full details on these and other Belgian trade and consumer shows can be found on http://www.1world2travel.com/article.php?articleID=1050#EUA

France

Adapted from information available from VisitBritain (www.traveltrade.org.uk), Tourism British Columbia (www.tourismbc.com), Tourism Australia (www.tourismaustralia.com), Industry Canada (http://strategis.ic.gc.ca/engdoc/main.html), European Travel Commission (www.etc-corporate.org), Tourism Marketing Information System (www.tourmis.info) and the World Tourism Organization (www.world-tourism.org). Additional information from 'Changes in Leisure Time: The Impact on Tourism', 1999, World Tourism Organization, Madrid and national statistical offices.

In 2003 French departures totaled 16.15 million, down 1.1% on the previous year. The main destinations were UK, Spain, Italy, USA, Germany, Belgium, Tunisia, Morocco, Canada & Martinique. Around 72% of outbound trips are made within Europe. Inter-regional trips increased at over three times the rate of intra-regional trips from 1985 to 1997 when they accounted for 28% of all trips.

The number of overseas trips is quite small given the relative wealth of the country and its geographic placement in Europe. The majority of the population prefers to vacation domestically (90%).

French outbound travel is categorized as follows:

Vacation/Holiday	54%
VFR	42%
Business	31%
Conference	5%

The French prefer to stay in mid-range accommodation, as this is within their budget. Country house hotels are popular in France (Relais et Chateaux, etc), but equivalents must be similar in terms of value for money if they are to consider staying there. Bed and breakfasts are popular, but mid-range and above rather than budget. Youth travelers prefer to opt for youth hostels or university accommodation, again because price is an issue.

Average trip expenditure in 2001 was US$1027.

Heritage and cultural attractions are key to a French visitor, with shopping for traditional products or trendy items seen as a secondary reason for the visit. Spa holidays are very popular in France, but these are mostly taken at home (water treatments, etc), or in North Africa (Tunisia, Morocco), where they get the added bonus of a beach and good weather. Dining is popular, an activity that 84% of French state to be important on a holiday.

The seniors market is growing in France, with 25% of French people over 50.

There is a trend towards last minute bookings, even for main season holidays. The French are less likely to book their holiday online than direct or via a travel agent /operator.

Only 44% of the French population is online yet bookings for travel over the Internet are high. France remained the third largest online travel market in Europe in 2003, accounting for 9% of the European online travel market. 23% of international trips were booked online in 2003, compared to 16% in 2001. This is now estimated to have increased to 36%. However, the Internet is preferred mainly for searching for information. Bookings are then largely undertaken offline either directly with the accommodation supplier or carrier or via a tour operator or travel agency (in that order of preference).

The French have 25 days annual leave supplemented by 11 public holidays. The French market opts for more long-weekend breaks rather than 3-4 week holidays in August. School holidays are taken as follows:

December/January	2 weeks
February	1 week
Easter	2 weeks
July/August	8 weeks
Autumn	1 week

French arrivals to Croatia totaled 220,636 in 2003. This represents a remarkable average annual increase of 139% since 1999. French arrivals to Croatia represent 2.98% of total arrivals.

Caring for the French Traveler (www.tourismtrade.org.uk)

The French are generally not good at speaking foreign languages. They are reluctant to speak English out of embarrassment. If you can welcome them with a few basic French words, they will appreciate your efforts and will be happy to answer in English.

French people look for good deals when they are shopping. Advise them on shops or restaurants where they can find special promotions or discounts. They will be grateful to you for these 'bons tuyaux' (good tips).

As in many Latin countries, many French people are smokers. A designated smoking area in public places is appreciated. In a hotel, they expect a clean bedroom with private bathroom and toilet. Their own hotel bedrooms tend to be functional, clean and good value. Food is extremely important to the French. Although they like to change their habits during their holidays (even when it comes to food), there are some areas where the French will not make concessions. Provide them with bread during lunch or dinner, and don't take it away until the end of the meal. If they ask for water, provide a carafe (not glasses) without ice and lemon. Their preferred coffee is espresso (short and strong) and they like to spend time over their meals.

Undoubtedly used to good service and hard to please, they criticize easily. Be patient, smile and offer explanations and a helping hand should a problem arise. Value for money is a consideration when the French book their holidays – poor value for money deters them from booking

Daily newspapers:

Le Monde (385,000)
Le Figaro (360,450)
Le Parisien-Aujourd'hui (473,000)
Libération (172,000).

News magazines:

L'Express (540,000)
Le Point (315,000)
Le Figaro Magazine (494,000)

Nouvel Observateur (472,000).

Travel magazines:
Géo (482,000)
l'Art de Voyager (97,000)
Grands Reportages (84,500)
Bon Voyage (210,000).

Travel trade publications:
L'Echo Touristique (14,800 weekly)
Tour Hebdo (12,120 weekly)
Le Quotidien du Tourisme (9,700)
Univers des Voyages (9,000 monthly).

Further details of magazine and newspapers in France can be obtained from http://www.journalismnet.com/francais/index.htm

Doing Business with the French (www.tourismtrade.org.uk)
French consumers are traditionally last minute planners with a short lead time between booking and travel. This has been a heightened trend in recent months. They prefer to use a retail agent to make holiday arrangements. Internet usage in researching a potential holiday destination is increasing. Consumers are increasingly driven by airline deals and growing numbers book airfares direct through airlines.

Online
Consumer confidence with online services and e-commerce is getting higher and the French are becoming more confident booking and paying online. The travel industry is adopting online technology and retailers are introducing online training systems. All major tour operators now have sites with most offering the ability to book and purchase online. The major online firms include Voyages-scnf.com, Sncf.com, Lastminute.com and Promovacances.com

Retail Agents
Retailers are quite powerful in the French market, controlling distribution of tour operator brochures. The retail chain formerly known as Havas Voyages has been rebranded as Thomas Cook. They have over 400 retail agencies across France. Some travel agencies have a group department that organizes holidays for associations. Some hypermarkets also have travel agency outlets.

The primary aim for travel agents is to sell transport and packages set up by tour operators. In 2000 there were about 5,000 points of sale in France, of which approximately 250 were tour operators. 1,600 licensed agencies (3,100 points of sale) are members of SNAV (Syndicat National des Agences de Voyages) with nearly 40% of the agencies concentrated in the Paris area.

Travel agency outlets in supermarkets have proliferated over the last few years. They sell through dedicated Internet sites and/or call centers. Some examples: Leclerc Voyages (travel agent with 117 outlets); Vacances Carrefour: (travel agent with 87 outlets); Auchan Voyages: (call centre and website only) Casino Group: phone-sales-only-points for the group's brands (Géant Vacances, Leader Price Voyages, Monoprix Voyages, Mousquetaires). All the above are members of SNAV. The tendency has been for them to offer time-restrictive but very attractively priced offers to supermarket clientele.

Tour Operators

Tour operators sell their product through their own or independent travel agencies. Increasingly, they also sell directly to the consumer through the internet. In 2001, there were about 250 tour operators in France. There are four types of French tour operator:
1. 'Généralistes' – top national tour operators who produce one or more large brochures (e.g. Nouvelles Frontières). These packages are sold through their own network of travel agencies, as well as through independent travel agencies. Clientele: mostly individuals although the larger operators will have a groups department.
2. 'Spécialistes' – smaller operators who specialize in specific destinations or in specific activities. Most carriers, whether air or sea, have their own tours. They sell directly as well as through some independent and networked travel agencies. Clientele: mostly individuals.
3. Coach operators – there are about 2,500 coach operators in France, 400 of which are registered through SNET (Syndicat National des Entreprises de Tourisme). Clientele: groups (à la carte or with pre-determined date departures).
4. Associations – they sell to their own club members or defined market segments (e.g. comités d'entreprise, school groups, groups with a cultural interest). Clientele: groups only.
5. Agency networks: sell their own products as well as others e.g. Thomas Cook (ex. Havas), Carlson Wagonlit. Clientele: mostly individuals.

In addition to the travel agents and operators, associations such as walking clubs or evening colleges will also organize holidays for their members, as will the Comités d'Entreprises (every company with 50 or more employees must give 3% of turnover to this "social club", which then organizes staff trips).

- Tour operators prepare their spring/summer brochures in December/January and their autumn/winter brochures in June/July.
- Personal relationships are very important to the French and take time to build. If you are asked for a quote, send it straight away.
- Do not be offended by direct talk (e.g. 'the food is disgusting', 'hotels are outrageously expensive'...). Just be prepared for it! Likewise, do not be taken aback if (when!) you are constantly interrupted while talking – it means you generate interest!
- Use your French or come along with someone who speaks French. It is likely that your contact will be happy to speak English with you, after you have made an effort in French.
- It is highly recommended that you have brochures in French or at least a fact sheet presenting your product.

Only 15% of French people travel overseas for a holiday, and so reaching this target group is crucial. Surveys show that 90% of visitors to French travel exhibitions go on to take an overseas holiday, and that they are heavily influenced by the information they gather there. The major travel fairs in France include:
- Rainbow Attitude Exhibition Paris, (exhibition for gay travel)
- Tourissima, Lille, (exhibition for those in the key northern part of France)
- Salon Mondial de Tourisme Paris, (largest travel show in France)
- Salon de la Randonée (walking and activity holiday exhibition in Paris)
- Top Resa, Deauville (trade fair)
- International Luxury Travel Market, Cannes
- Mahana, Lyon

Further details of these fairs can be obtained from
http://www.1world2travel.com/article.php?articleID=1050#EUB

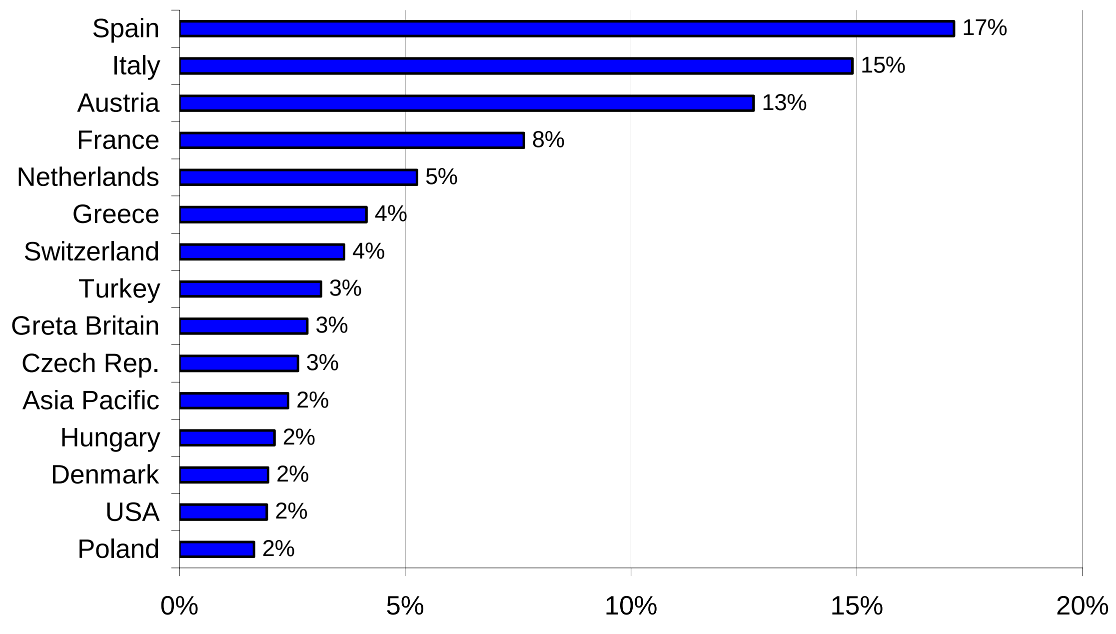
Germany

Adapted from information available from VisitBritain (www.traveltrade.org.uk), Tourism British Columbia (www.tourismbc.com), Tourism Australia (www.tourismaustralia.com), Industry Canada (http://strategis.ic.gc.ca/engdoc/main.html), European Travel Commission (www.etc-corporate.org), Tourism Marketing Information System (www.tourmis.info) and the World Tourism Organization (www.world-tourism.org). Additional information from 'Changes in Leisure Time: The Impact on Tourism', 1999, World Tourism Organization, 'German Outbound Holiday Profile 2000', IPK International and national statistical offices.

Germany has the largest outbound market, calculated on the number of travelers in relation to the total population. In 2003, German resident departures totaled 68.87 million down by 2% from the previous year. The German market is one of the few that take significantly more international holidays than domestic. In fact, Germans took 44.5 million holidays (71.1% of total trips) internationally in 1999, up from 41.0 million holidays (64.7%) in 1993. This represents a 6.4% growth rate in international travel between the years of 1993 and 1999. It also suggests that 76% of the population over 14 years of age undertook a trip abroad.

In 1999, almost one half (45.6%) of all outbound German travel was to eight key destinations in Europe. 89% of all trips were taken to Europe as a whole. North American destinations accounted for about 2.6% of the total outbound German travel market.

Figure 20. German Outbound Travel Destinations (2000)



Given the very high propensity to travel prevailing in the German market it comes as no surprise that German holiday travelers are present in almost every holiday destination imaginable. The chart above lists the fifteen most important holiday destinations for Germans during 2000, and includes all the destinations visited by at least one million Germans for holidays in that year. These fifteen destinations jointly attracted 85% of German outbound holiday traffic in 2000.

Two main highlights emerge from figure 12. The first is the relative concentration of German holiday making destinations, with the top four destinations, Spain, Italy, Austria and France accounting for 53% of total holiday trips undertaken during 2000. The second is the tendency for holiday trips to be made mostly to other European destinations. In fact only two non-European destinations, Asia Pacific and USA feature amongst the top 15 destinations for German holidays in 2000, each displaying a 2% share.

Spain is by far the Germans' favorite holiday playground having attracted 10.6 million German holiday trips or 17% of total in 2000. Within Spain, the Balearics emerge as the single most important destination with a tally of nearly 4 million German holiday trips, or 41% of total. Mallorca on its own attracted 3.15 million German holiday trips, slightly more than the archipelago comprising the Canary Islands.

Italy was the destination of 9.2 million holiday travelers in 2000, with the largest grouping of 2.6 million visiting the country for sun and beach holiday purposes. However, holiday travel by Germans to Italy tends to be well diversified with a further 1.7 million Germans visiting for city holidays and city breaks. A further 1.5 million Germans had mountain holidays in Italy.

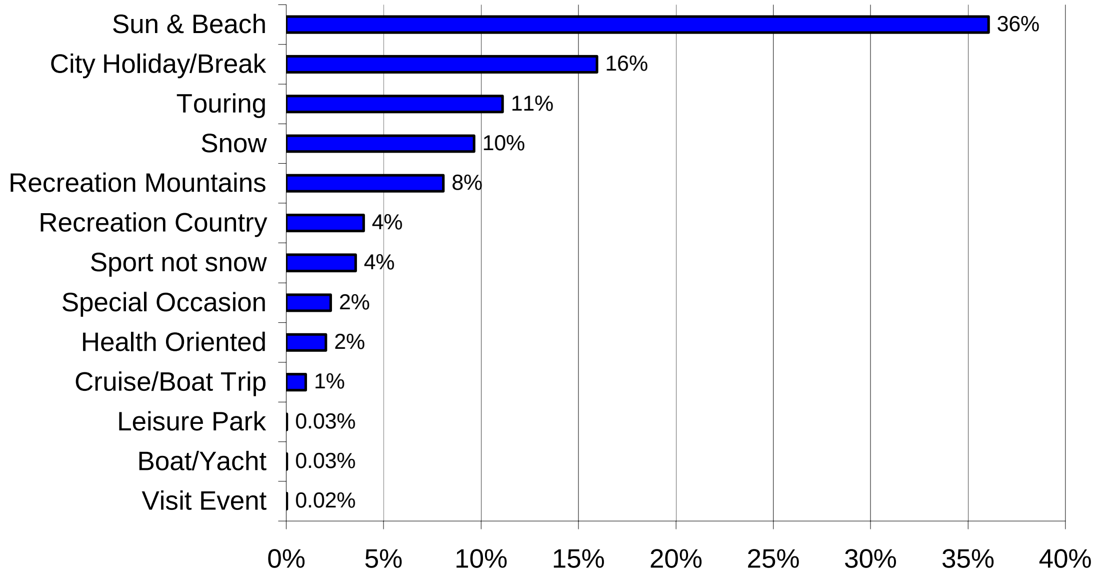
Mountains and the snow associated with them make Austria the Germans' third most popular holiday destination in 2000. In fact, during the year Austria attracted 3.7 million Germans for snow holidays and a further 2.4 million Germans for recreational holidays in the mountains. Switzerland similarly displays a heavy dependence on its snow and mountain offer for the German holiday market.

Tourism for pure relaxation, or to visit friends and relatives (VFR) is diminishing in importance as Germans are growing more interested in opportunities to have new social and educational experiences. This market is comprised of more experienced travelers who generally have a higher level of education. In 1997, leisure related demand accounted for 86% of all trips.

In 1996, a German survey found that 80.0% of German outbound pleasure travelers stated that an unspoiled environment was crucial to whether or not they were satisfied with the holiday.

German holiday makers traveled for a very wide variety of reasons during 2000, foremost of which was the sun and beach holiday. No less than 22.3 million Germans or 36% of total had a sun and beach holiday in 2000. The sun and beach holiday was followed in popularity by the city holiday/city break which was the favored type of holiday of 9.9 million Germans or 16% of total German holiday outbound during the year under review. Third placed in terms of popularity was the touring holiday: a leisure activity undertaken by 6.9 million Germans during 2000, accounting for 11% of holiday traffic during the year.

Figure 21. Survey of Popular Leisure Holiday Activities for German Outbound Travelers



Holidays in mountain locations were very popular for Germans during 2000 with snow holidays in particular attracting nearly 6 million trips or 10% of total. Other activities in the mountains, excluding snow, generated a further 5 million German holiday trips or 8% of total German holiday outbound during 2000.

Other holiday recreation in the countryside excluding mountains was enjoyed by a further 2.5 million Germans indicating a 4% share of total German holiday outbound while a further 2.2 million Germans had a sport related holiday that was not associated with snow.

It is interesting to note that almost similar quantities of German holiday travelers in 2000 traveled either for a health oriented holiday or to attend a special occasion. Holiday travel involving cruise ships or boats is found at the lower end having been undertaken by around 1% of total German holiday outbound during the year under review.

Germans are estimated to spend approximately 4% of their disposable income on travel, a higher priority than most consumer durables. Per trip expenditure was around US$693 in 2001.

German travelers enjoy being entertained and having fun and they spend more time in big cities, sightseeing and visiting theme parks. They also enjoy the arts and culture, shopping, beaches, national parks, history and scenery and soft adventure.

By 2010, the German population will show some dramatic shifts in the age categories. In particular, significant growth is expected in the 45-54 age category and the 65+ age category. This growth will provide an opportunity to develop product for the mature or older traveler.

The growth market over the next decade will be in servicing the independent traveler. The increased sophistication and experience of travelers is driving the trend towards more personalized vacations.

The travel trade continues to play a very strong role in Germany. In 2003, 58% of all outbound travel arrangements were booked through travel agencies and more than 13,000 retail agencies in Germany still have an influential role in the choice of the holiday destination.

Residents of the former East Germany have lower incomes, take slightly shorter vacations and spend less on vacations that their West German counterparts. They tend to have less knowledge of the English language and thus prefer organized tour with German-speaking guides.

Long haul travel is expected to increase at the expense of domestic travel. Tailored and all inclusive holidays are also expected to increase. Among the young and families, an increase in winter sun, active, cultural, special interest and ecological breaks is expected. Independent family members are expected to increase demand for sport, event related and special interest trips. Event and health-related trips are expected to grow for the seniors

Almost 55% of the German population is online. Estimates suggest that 28.87% of active internet users in Germany logged onto travel websites in December 2002. This was an increase of 2.5% from the month before. After more than doubling in 2003, online travel bookings in Germany grew by 62% in 2004. Germany remained the second largest online travel market in Europe in 2004, accounting for 22% of the European online travel market.

It is perhaps not surprising that the Germans are among the world champions in foreign holiday taking. Germans are entitled to at least five weeks annual leave – most get six – plus up to 10 public holidays a year, as well as the right to one week of ‘Bildungsurlaub’ (self-improvement holiday) in all states and up to six weeks leave of absence for health cures. Their average working week of just 37½ hours is one of the shortest in Europe. The status of holidays generally is also very important. The holiday is the commodity that Germans are least prepared to give up. And holiday taking, it seems, has little to do with the prevailing economic or social conditions. Holidays are either taken in spite of them or because of them. In bad times holidays are considered necessary to escape from the pressures of life; in good times they are seen as natural rewards for success.

July and August remain the main holiday months for Germans traveling internationally. January remains the peak month for Germans to make main holiday decisions. School holidays are taken as follows:

December/January	10 days
February	10 days
Easter	15 days
Whitsun	5 days
Summer	30 days

German travelers are very price sensitive and will make travel bookings to take advantage of special prices.

German arrivals to Croatia in 2003 totaled 1,551,844, an average annual increase of around 37% since 1999. The German share of total Croatian arrivals in 2003 was 20.95%

Caring for the German Visitor (www.tourismtrade.org.uk)

- Value for money is a key issue for Germans. They are willing to spend considerable amounts of money for products and services if they think they are worth it. However, if they feel that they are getting bad or insufficient quality, especially compared to standards in Germany, where prices for accommodation and food are very reasonable, frustration and dissatisfaction can easily occur.
- Germans love shopping – but only if the financial means are available. Credit cards are still rarely used for shopping because many Germans are worried about losing control of their budgets.
- Although the majority of Germans (especially the under 50s) speak English sufficiently well, it is still an advantage to have important signs and information material printed in German. The increasing number of visitors from the New Federal States in particular will appreciate some guidance in German.
- Although very few German visitors will expect you to speak German, a few basic phrases in German will help to make them feel more welcome.
- Germans can be very straightforward and demanding if they are unhappy with a service or product. Don't be shocked by their directness but deal with any situation promptly and courteously.
- Cleanliness is of major importance for German visitors. Tiled bathroom floors are certainly preferable to carpeted ones and shower cabins more popular than bathtubs. Provide en-suite facilities whenever possible.
- Most Germans will usually have their main meal around lunchtime and only a light snack for supper.
- Detailed information on all activities planned is very important for German visitors. They usually collect a lot of information before their visit and bring several guidebooks along. But be prepared for even more detailed questions about the area, events or suggestions for itineraries or places to visit.

There are only a few quality newspapers (Sueddeutsche Zeitung, Frankfurter Allgemeine Zeitung, Frankfurter Rundschau, tageszeitung) and one rainbow paper (Bild) distributed nationally. There are plenty of small regional papers often organized in distribution and publishing groups. In Germany, there is one very important travel trade publication read by all tourism professionals – the FVW (Fremdenverkehrswirtschaft). Smaller publications are targeted at travel agencies (Travel One, Travel Talk) or coach operators (Busmagazin, Omnibus Revue).

For further details on German magazines and newspapers look at http://www.journalismnet.com/europe/index.htm

Doing Business with the Germans (www.tourismtrade.org.uk)

German travelers are careful planners, seeking detailed information from a range of sources prior to departure. They are savvy and shop around as part of their extensive planning process. The lead in time for bookings is still longer than in other markets. There is a growing trend for shorter lead times from the German consumer. The current instability in the world is making consumers hesitant to make long term travel plans. Low cost carriers have influenced the German consumer, not only do they offer cheap travel across Europe, they have also made consumers aware of how to organize their holidays independently of their travel agency. They book the flight and organize hotels and other ground arrangements themselves, quite often via the Internet. Approximately 42% of all German holidays over five days are organized via a travel agency or tour operator. The percentage of long haul travel booked via a travel agent or tour operator is higher again.

The German travel trade can be split into four major categories:
- Online
- Reisebüros: Travel Agencies
- Paketreiseveranstalter: Package Wholesalers
- Reiseveranstalter: Tour Operators

Online
The Internet is becoming a dominant tool for researching holiday destinations. While German consumers are confident to research over the Internet, they remain more comfortable purchasing long haul travel via a travel agent. Some travelers, especially those under 40, are feeling increasingly comfortable booking certain travel arrangements such as air and train tickets, accommodation and some other ground products via the Internet. The strong presence of both Internet-based tour operators as well as low cost carriers in educating consumers to book certain types of holidays or holiday components via the Internet

Retail Agents
Germany currently has approx 13,800 travel agencies who sell travel as their main source of income; of these around 4,650 are IATA agencies. Consolidation in the retail sector is making it increasingly difficult for travel agencies to remain independent. More and more medium sized travel agencies see the need to join one of the travel agency alliances such as Quality Travel Alliance (QTA) or Touristik Multi Chanel Vertriebsorganisation (TMCV). Approximately 44% of all travel agents in Germany are part of travel agency chains and franchise systems, 51% are organized in alliances and only 5% remain truly independent. The top 10 leading distribution systems in terms of overall tourism turnover in 2002 were: - Rewe incorporating DER, Atlas, Derpart, RSG- QTA who work closely but not exclusively with TUI- TUI including Hapag Lloyd, Frist, Discount Travel, TQ3, Travel Star, TUI Reise Centre- TMCV incorporating TSS and AER- Lufthansa City Centre- Thomas Cook including the brands Thomas Cook, Holiday Land, Alpha, RCE- BT - Eurolloyd- Karstadt Quelle- Carlson Wagonlit Travel. The majority of retail agents only sells the larger tour operator programs and concentrates on products from the few big players to achieve higher commission levels. There are about ten big chains of retail agents with branches all over Germany, most of which also arrange ad-hoc group travel. However, the number of independent, small agencies is still very large. Due to new high insurance costs introduced two years ago, most agencies have stopped doing these ad-hoc group arrangements.

Wholesalers/Large Agents
In Germany, tour operator services are almost solely distributed via travel agencies. There are a number of direct sellers, however presence in other travel agencies is still key for their distribution. Several direct sell operators are actively growing their agency network throughout Germany and into neighboring countries including the Netherlands, Switzerland and Austria. The trend towards late bookings that is developing in Germany, along with social and economic changes have reduced disposable income making the market tough for tour wholesalers in Germany. The package wholesalers are package operators selling ready-made tours mainly to coach operators although they increasingly also offer flight packages and group travel generally. Coach tour companies are becoming increasingly specialized in areas such as themed and special event tours.

Tour Operators
Germany has around 4000 tour operators evenly spread all over Germany. However, there is a concentration in the Frankfurt, Munich, Hamburg and Düsseldorf/Cologne areas.

The large volume tour operators who dominate the market sell mainly through the retail trade and have a widespread distribution network throughout Germany. The smaller, more specialist companies only sell direct to the public through adverts in papers or direct mail. Some of the major operators (e.g. DERTour, Wolters and FTI Touristik) can afford to insist on very tough commission agreements (20% or more) with suppliers.

- Germany is a large regionalized country with the travel trade concentrated around several cities, often with large distances between them.
- It is important to consider the timing of your visit. The large tour operators research their main season programs between April and June. These programs are costed between July and September and launched in November/ December. The smaller specialist operators tend to research their programs slightly later in July/September for a launch in January/ February. Off-season/city break operators research their winter programs in March/April and launch them in July/August.
- Provide the operators you are visiting with a comprehensive information pack (preferably in German) about your product. On your return ensure that you follow up quickly and renew contact regularly.
- Bear in mind that it is not going to happen overnight! Germany is a huge, complex and very competitive market that requires hard work and commitment. It may take several years to become established and to achieve any sort of return.

There are a number of travel fairs in Germany:

- TourNatur is the only consumer exhibition in Germany that specializes in hiking and trekking. The first TourNatur in 2003 attracted 17,000 visitors. Exhibitors include manufacturers and specialist retailers of equipment and accessories, tour operators and organizers, tourism associations, clubs and organizations as well as tourism destinations.
- CMT Stuttgart (more than 190,000 visitors in 2004) is Germany’s biggest consumer tourism exhibition. Visitors, who come from the city and surrounding region, are of a good quality and are looking for detailed information and new ideas for their holidays.
- Reisen Hamburg (105,000 visitors in 2004) is the most important tourism show in Northern Germany.
- ITB Berlin is the largest German tourism fair, with both trade and consumer visitors. It runs for five days of which 3 days are trade & consumers and 2 days are trade only. In 2004, the fair was attended by 130'000 visitors of which more than half (70'000) were trade and 6'500 journalists. Almost 10'000 companies exhibit at ITB. 28% of the trade visitors of ITB are non-German.
- Resisemarkt Rhein-Neckar-Pfalz, Mannheim
- CBR, Munich
- Internationale Messe Reise & Touristik, Essen
- Rheingolf, Cologne
- Urlaubswelten, Dusseldorf
- Resisen & Freizeit, Friedrichshafen
- T&C, Leipzig
- Reisemarkt, Cologne

Further details of these fairs can be obtained from
http://www.1world2travel.com/article.php?articleID=1050

Ireland

Adapted from information available from VisitBritain (www.traveltrade.org.uk), Tourism British Columbia (www.tourismbc.com), Tourism Australia (www.tourismaustralia.com), Industry Canada (http://strategis.ic.gc.ca/engdoc/main.html), European Travel Commission (www.etc-corporate.org), Tourism Marketing Information System (www.tourmis.info) and the World Tourism Organization (www.world-tourism.org). Additional information from 'Changes in Leisure Time: The Impact on Tourism', 1999, World Tourism Organization, and national statistical offices.

In 2002, Irish resident departures totaled 4.9 million, an increase of 10.5% on the previous year.

Per trip expenditure in 2001 was US$839.

The greatest propensity towards frequent holidays is in the 35-44, 55-64 and 65+ age groups, and Dublin / Leinster are the most important regions.

Given the independent nature of the Irish market, travelers research the destination via agents, the Internet and other information sources such as consumer travel shows.
The market has historically been driven by tactical airfares and Irish consumers are particularly driven by value for money.

Whilst internet penetration in Ireland is relatively low (projected to be 48% by the end of 2004), online bookings are very much a feature of travel related purchasing. Buying flights tops the list of internet purchases, with 64% of the Irish internet population researching flight information online. 68% of Irish internet users purchase accommodation online, as opposed to 38% buying accommodation offline.

Caring for the Irish Traveler (www.tourismtrade.org.uk)

Irish visitors will expect a high standard of accommodation: en-suite rooms, tea/coffee-making facilities and a television. The accommodation will also be expected to be licensed and have night porter facilities. Customer care is particularly important. Staff should have a good knowledge of the local area including attractions, pubs, restaurants, etc.

Irish visitors are very friendly and will expect to stay in a 'home from home' environment. Value for money is essential for the Irish and they appreciate it when you can accept Euro and price in Euro currency.

Readership of most Irish newspapers rose significantly in 2003 according to the recent *Joint National Readership Survey 2004.* The report indicates that 9 out of every 10 adults now read newspapers in a typical week. Further more, both daily and Sunday newspapers have picked up additional readers during this period. As a result Ireland has one of the highest consumption of newspapers in Europe thus the ability for newspaper articles to genuinely influence choice of travel destination for the consumer is very high.

There are 11 national newspapers, Sunday editions, a small number of Irish editions of British newspapers, and numerous free distribution newspapers, magazines and weekly regional newspapers. There are several specialist weekly magazines including the *RTE Guide* (equivalent to the *Radio Times*) and a range of fortnightly and monthly lifestyle publications. Many British newspapers and magazines are also available.

Doing Business with the Irish (www.tourismtrade.org.uk)

Ireland has strong seasonal spread, and the trend is to take shorter, more frequent, last minute holiday breaks throughout the year. Target Group Index (TGI) has data showing that just under 10% of 1.6m adults who took a holiday in the past year took 3 or more holidays.

The travel trade is going through a revolution as a result of how people book their travel needs. More and more people are booking their travel online.

Irish tour operators are becoming increasingly fragmented. Many are coming to terms with the new reality of selling holidays with no full service national carrier. More people are booking online; this is having obvious repercussions. The only operators, which seem to have a secure future at present, are those offering specialized niche services such as sport packages.

Within Ireland, there are 365 agencies that are members of the Irish Travel Agents Association and approximately 130 that operate outside the Association. The majority of agencies are family-owned and operated. There is a growing trend towards the development of retail chains and franchises such as Worldchoice. The advance in technology within travel agencies has been moving at a fairly rapid pace. However, it is only recently that travel agent and tour operator Internet sites have begun to emerge. A number of the larger travel agents do package products independently of the operators.

. There is little formality in travel agencies. People immediately use first name terms in their business dealings. The Irish are also keen negotiators and will react well to special offers, discounts or additional benefits for their clients.

As in most marketing, personal contact is greatly appreciated, and in Ireland it is seen as evidence that a company is taking the market seriously and acknowledging that it is distinct from the UK market. Please remember that referring to Britain as “the mainland” is deeply offensive to Irish people. When referring to the Republic of Ireland simply use the word Ireland and not Eire (unless you speak Irish fluently!). Northern Ireland is referred to as “the North”. When talking about Northern Ireland’s second city use the word Derry and never Londonderry.

If you can price in Euro it helps enormously. It also means people can easily identify value, as the perception of any price in £ sterling is that it is expensive. Ireland has changed to the metric system - please be aware of distances in kilometers and meters for brochures and print.

The major travel fairs in Ireland are:

- Holiday World Dublin
- Holiday World Cork
- Activity Ireland Show

Italy

Adapted from information available from VisitBritain (www.traveltrade.org.uk), Tourism British Columbia (www.tourismbc.com), Tourism Australia (www.tourismaustralia.com), Industry Canada (http://strategis.ic.gc.ca/engdoc/main.html), European Travel Commission (www.etc-corporate.org), Tourism Marketing Information System (www.tourmis.info) and the World Tourism Organization (www.world-tourism.org),. Additional information from 'Changes in Leisure Time: The Impact on Tourism', 1999, World Tourism Organization, 'Italian Tourism Outbound Report' (www.onecaribbean.org) and national statistical offices.

Croatia is the fourth most popular destination for Italians behind France, Spain and Germany. Despite their reputation as adventurous and enthusiastic travelers, Italians have in the past been among Europe's least traveled nations. One must consider however that the Italian outbound travel market has grown rapidly in the last 10 years– probably at the highest rate of any European market. It is estimated that outbound travel from Italy has increased by over 50% in the last five years or so and, with a population of 58 million, of which 19 million are outbound travelers, Italy has become the fifth largest outbound travel market.

In 2002, 49% of Italians said they took at least one vacation in the Spring, while 38.5% took two to four vacations. Only 6.9% had no vacation at all.

According to ISTAT (the National Statistical Institute), Italian residents in 1999 took 13,761,000 trips abroad with at least 1 (one) overnight stay. Of these 20.4% traveled to France followed by Germany (8.8%), and Spain (8.6%), then the U.K. (4.9%). In fact 81% of outbound travel is intra-regional.

85% of trips were for holidays whilst 15% were for business reasons. Long holidays which include 4 or more overnight stays, make up the most common typology. Italy was the destination for 84.7% of holiday trips taken by Italians in 1999, whilst the remaining 15.3% of trips were to foreign destinations. Outside the European Union the USA ranks 8th followed by Switzerland and Egypt.

Summer vacations are generally spent at the sea (preferred by 45.6% of Italians) or in the mountains (19.5%). Winter holidays are spent in the mountains skiing or doing other winter sports (30%) or on exotic foreign beaches (18%).

The average length of stay for long haul travel is generally of 15 days and the main travel months are July and August, December and January. Overall, lengths of stay are in the region of 5.7 days.

Average trip expenditure in 1996 was estimated to be in excess of US$1000. Italians' daily expenditures for food, shopping and excursions are above the world average. Italians are always very welcome in the world's biggest shopping cities as well as in holiday resorts. When traveling, they like to enjoy expensive and exclusive restaurants since food is a very important item on any Italian traveler's budget.

A number of niche travel occasions have become increasingly popular in the Italian market including products such as *benessere* (well-being) packages, *agriturismi* (farm stay), golf and special interest themes such as gardens.

The DINKS/SINKS market increasingly seeks a 'participative' travel experience allowing close contact with the product. For main season holidays there is considerable appeal amongst this segment for the countryside and coast as lifestyle experiences based on spirituality and escape (from cities). Campervan holidays represent a significant niche sector within the Italian market. This product appeals because it offers freedom, is experiential and also a cost-saver facilitating long breaks.

In terms of age breakdown, the most frequently traveled sector of the population is the under-30's, followed by the 30-39 year olds. Travel intensity drops sharply among the 50-plus age bracket. The strongest growth in outbound travel has been coming from the younger markets, particularly those from the middle income and education group and the DINKS (double income families with no children).

The family unit remains the focus-point within Italian society. Main season holidays in particular tend to revolve around families and their needs.

A recent survey shows that 64.3% of Italians leave for their vacations without any kind of booking, 5.1% book only the transportation through a travel agency, 2.1% book only the lodging and 21.5% book the whole package in a travel agency. 6.7% book through the Internet.

The two main reasons why package travel is not popular among Italians are:
1) Younger travelers (25 to 35 years) have a good enough command of the English language to travel alone and make reservations; 2) Italian tourists rely very heavily on creativity and fantasy. In spite of the hundreds of tour operators in Italy that offer packages at very reasonable prices, many Italians believe that the best way to "discover" a destination is to do it by themselves. As a result, many Italians buy only airline tickets and then make their own arrangements either before they leave Italy or once they arrive in the foreign country.

For the Italians, holiday travel is definitely on the increase with 84.6% of the Italian population taking vacations however from this large percentage only 15.4% of trips were made to foreign destinations and moreover most were taken within Europe.

Approximately 44% of Italians have access to the Internet. According to a recent study, 15.70% of active Internet users in Italy logged onto travel websites in December 2002. This was up from 13.95% in November 2002. Online credit card purchases for travel and tourism products increased by 339% in Italy in Q1 2004 over Q1 in 2003.

In Italy to date, travel web sites on the Internet mainly have an informative function. Excepting some last minute deals, the tourism products on offer are generally no cheaper than those found in the official brochures despite the obvious savings made by cutting out the retailer. At present there are six main travel sites that offer all the services of a virtual Travel Agency.

Italians are entitled to 20 days of annual leave. This is supplemented by 12 public holidays. School holidays are taken as follows:

December/January	2 weeks
Easter	1 week
June-August	11 weeks

Caring for the Italian Traveler (www.tourismtrade.org.uk)
Any print you provide should be in Italian. Although taught in schools throughout most of the country, Italians' command of the English language is generally poor. 13.3% of under 35s have a reasonable knowledge of English but Italy is behind other European countries in this respect.
Have handy a list of cheap but simple and good quality restaurants. Italians are generally conservative eaters and when traveling abroad choose to eat simple British fare or Italian food.
However, the younger traveler is more adventurous and will be keen to sample the 'trendy' but cheap food options including ethnic cuisine.

Most Italians are used to a continental-style breakfast and a fairly long break for lunch. (They can spend up to two hours over a lunchtime meal). Offer a fixed menu as they can take a long time selecting their meal. Alternatively, a buffet is a good option. A three to four-course dinner is usually taken at about 8 p.m. When eating Italian cuisine, the 'primo' is the pasta course – the most important part of the meal. Fresh bread and water should be plentiful - jugs of water and baskets of bread on tables are suggested. Fresh fruit should also be offered as a dessert option. Italians are not large consumers of alcohol, and excessive drinking is frowned upon. In Italy, it is impolite to fill a glass too much and Italians often leave behind half-consumed bottles of wine. Smoking in Italy is more widespread than in the U.K. However, restaurants in Italy are now providing non-smoking areas.

Although Italians give little care to public places, they are scrupulously clean in their own homes and hotels, even simple ones, should reflect this. Bathrooms must be spotless (most Italians have at least two in their homes). Showers, mixer taps and bidets are standard in Italy and Italians therefore expect these 'basics' when abroad. Italians find our normal double bed very narrow and term it a 'French bed'. Linen should be of good quality.

The Italian media is comprised of national and regional newspapers, specialist publications and consumer magazines, two main TV networks (the state-owned RAI and commercial Mediaset) and various satellite channels.

Although the regional press is of good quality, the two main 'national' dailies ('Corriere della Sera' and 'La Repubblica'), the national leisure tourism publications (20) and consumer magazines (14) are the most effective print media for reaching the Italian public with propensity to travel.

In addition, there are five publications dedicated to the travel trade and five specialized titles for the business tourism sector.

Daily
Il Corriere della Sera - Daily, circulation: 862,500
La Repubblica - Daily, circulation: 777,473
La Stampa - Daily, circulation: 521,378
Il Sole 24 ore - Daily, circulation: 506,190

Travel
Bell'Europa - Monthly Travel, circulation: 80,000 copies
Club 3 - Monthly Travel, circulation: 90,746
Dove - Monthly Travel, circulation: 146,800
Gente Viaggi - Monthly Travel, circulation: 119,000
Golf & Turismo - Monthly Gof/Travel, circulation: 22,088
Gulliver - Monthly Travel, circulation: 131,000
In Viaggio - Monthly Travel, circulation: 64,509 (monographic)
Itinerari e Luoghi - Monthly Travel, circulation: 49,700
Meridiani - Monthly Travel, circulation: 79,940
Merdiani - I Viaggi del Gusto - Published every 3 months, circulation: 70,000 (Food and Travel)
Panorama Travel - Monthly Travel, circulation: 140,745
Partiamo - Monthly Travel, circulation: 144,030
Plein Air - Monthly Travel, circulation: 83,000
Qui Touring - Monthly Travel, circulation: 444,673
Traveller - Monthly Travel, circulation: 93,249 (monographic)
Tuttoturismo - Monthly Travel, circulation: 85,379
Vie del Gusto - Monthly Travel, circulation: 172,960 (food and travel)
Viaggi e Sapori - Monthly Travel, circulation: 137,751 (food and Travel)
Weekend Viaggi - Monthly Travel, circulation: 75,000
I Viaggi di Repubblica - Weekly Travel Supplement of "La Repubblica", circulation: 666,608

Travel Trade
L'Agenzia di Viaggi - 4 times per week, circulation: 10,000
Travel Quotidiano - 3 times per week, circulation: 10,000
Guida Viaggi - daily, circulation: 10,000
TTG Italia - every 2 weeks, circulation: 9,352
Trend - weekly, circulation: 10,000

Business Travel
Convegni - Monthly, circulation: 10,183
Meeting e Congressi - Monthly, circulation: 10,006
Mission - Monthly, circulation: 10,000
MICE - Monthly, circulation: 10,009
Quality Travel - Monthly, circulation: 10,000

Doing Business with the Italians (www.tourismtrade.org.uk)

Italian consumers are slowly moving away from the traditional August to September holiday period, although it still remains the most popular time for long haul travel from Italy and is the peak season for honeymooners. Consumers, while happy to research over the Internet, prefer to book with their travel agent. The Italian travel agent also has a major influence on their client's choice of holiday destination. Italians are influenced by recommendations of relatives; what is 'trendy' at the time. Safety is also a large consideration, especially for long haul travelers.

Online

The Internet has caught on very quickly within the travel industry in Italy, with both existing tour operators and retail agencies setting up websites. Several major industry partners have developed websites with extensive information for consumers and travel clubs with regular newsletters. The use of the Internet is increasing but is mainly used as a research and information tool. The most important online travel agencies in Italy include www.edreams.it, www.lastminute.com, www.lastminutetour.com, and www.eviaggi.com

Retail Agents

In 2003, there were over 7,000 travel agents in Italy, up 19% on 1999 due to the strong penetration of chained and franchised outlets. This rapid expansion has saturated the market and forced the closing of less competitive outlets. Travel Agencies in Italy play an important role in distributing the tourism product to Italians. Even with the advent of business on the Internet, they still represent between 70% and 98% of package holiday sales. The distribution of retailers is positively correlated to population, income and the propensity to travel of the Italian resident. The largest concentrations being found in North West Italy (namely Piedmount, Valle d'Aosta, Lombardy and Liguria) and in Central Italy (namely Tuscany, Umbria, Marche and Lazio), the most populous and wealthiest regions in the country.

Travel agencies usually sell products produced by tour operators. Some travel agencies, however, also have group departments, which organize holidays for associations. In Italy there are approximately 11,400 travel agencies, of which 8,500 generate significant business. In recent years, travel agency closures and mergers have become commonplace as commissions have shrunk or disappeared and a new generation of customers has moved on-line. The official Italian body representing the interests of the local travel industry is FIAVET, the Italian Federation of Travel Agents. Membership is not compulsory and it is believed that 50% of the trade are members.

Despite the large – though declining - number of travel agencies in Italy, only a few have a good structure with professional staff, groups department, and business travel specialists. In recent years with the growth of internet and the expansion of call centers, the role of travel agencies has changed a lot. A decline in business has prompted some to join together in consortia. Some of the most important networks of travel agencies are Buon viaggio, Sestante, Blu Vacanze, Le Marmotte, Cisalpina, Frigerio, Pinguino, Travelshop.
Declining commissions (especially from the airlines) and the rise of low cost carriers working directly with the consumer has prompted most to charge fees for their services which in turn lowers their competitiveness. The trend is for agencies to become most valued for their product knowledge and segment specializations and these can still command a premium with customers. For example, it is becoming increasingly common for customers to buy low cost airline tickets over the web and then to approach an agency for an operator's ground package.

Tour Operators

Tour Operators have played an increasingly important role for Italian tourism offering competitively priced packages to destinations that are generally not within cost effective reach of the independent traveler. In addition these Tour Operators provide an essential point of contact about the overseas destination for the traveler in their own country.

There are seven principal tour operators working in Italy namely Alpitour, Costa Crociere, Francorosso Int., I Viaggi del Ventaglio, Hit Group, Valtur and Kuoni Gastaldi Tours. In the list of 39 major Italian Tour Operators these top seven make up 65% of the total turnover. The two main Italian Tour Operators who are most effectively competing against the other European travel giants are Alpitour and

Costa Crociere ranking 14th and 19th respectively in a listing of the top 20 European Tour Operators. However, over the last 5 years Italy has further seen the creation acquisition and merging of groups of tour operators driven by the necessity to abandon a general brand image in favor of a diverse travel product portfolio which can be offered under the wing of a larger holding company yet still utilizing the brand history of the specialist operators taken over and thus raising the profile of the wider group in the market.

Tour operators sell their product through their own or independent travel agencies. Increasingly, they also sell directly to the consumer through the internet. In recent years, in principal cities like Milan and Rome, a clearer structure of fairly large tour operators has emerged, each of whose products are sold through a network of retail agencies. The structure is much regionalized, with most operators selling through retail agencies within a fairly defined geographical area

The tour operator works very closely with their circle of travel agencies. It is not easy to enter in to a well-established relationship between a tour operator and a travel agent. Normally a Tour Operator has sales representatives who make calls on the agencies, supporting and assisting them with bookings, itineraries, etc. Tour operators make significant efforts to build loyalty amongst their agencies through product knowledge educationals, workshops and incentives.

Compared with other European countries, program planning in Italy is late. Brochure publication schedules are roughly as follows:
Summer programs: Milan and the North – February and March, usually to coincide with BIT, Italy's biggest travel trade and consumer exhibition. Rome and the South – by the end of April.
Winter programs: Throughout Italy: September/October.

- Bear in mind that if you are new to the marketplace, it is unlikely that you will see immediate results. Often business in Italy is secured as a result of personal contacts, developed over a period of time.
- If you commit to the Italian market, you will need to visit your contacts at least twice a year.
- It is important that you speak some Italian, even if you speak it badly. Most Italians in the tourism industry have some knowledge of English, but, because they do not have the occasion to use it frequently, prefer to speak in Italian. If you try to speak their language, you score points! The provision of language brochures is an indication of how seriously you take the market.
- Try to read up a bit on the politics of the country. This will give you some background information on the political, cultural and financial diversity between the north and south, for example
- To undertake successful marketing activities in Italy requires a high investment in order to penetrate the market with a decent campaign and thereby obtain significant results. The creation of an informative sales manual (in Italian language) to be used as a training tool by the travel retailer should be of primary importance.
- Consumer marketing activities are not only high cost but need a minimum 5 year outlook especially when competing against the advertising campaigns of the large Italian Tour Operators who over the last 4 years have doubled their expenditure in this area. In order to keep up with latest developments in the industry it is essential to attend the travel fairs.

The major travel fairs in Italy are as follows:
- BIT - Borsa Internazionale del Turismo, Milan– Italy's largest travel trade and consumer exhibition attracting 96,700 trade visitors and 5,000 exhibitors in 2004.
- BMT - Borsa Mediterranea del Turismo , Naples - the main travel trade event for the south of Italy, attracting 15,000 trade visitors and 500 exhibitors in 2004

- TTG Incontri, Rimini – Italy's most important professional gathering and travel trade-only exhibition, attracting 25,800 trade visitors and 230 journalists in 2003
- La Primavera alla Landriana Gardens show, Rome
- MAST activity show, Turin
- Sinfonia Floreale Gardens show, Arona
- EICMA cycling show, Milan
- Chianciano, Tuscany

Further details on travel fairs can be obtained from
http://www.1world2travel.com/article.php?articleID=1050

Netherlands

Adapted from information available from VisitBritain (www.traveltrade.org.uk), Tourism British Columbia (www.tourismbc.com), Tourism Australia (www.tourismaustralia.com), Industry Canada (http://strategis.ic.gc.ca/engdoc/main.html), European Travel Commission (www.etc-corporate.org), Tourism Marketing Information System (www.tourmis.info) and the World Tourism Organization (www.world-tourism.org). Additional information from 'Changes in Leisure Time: The Impact on Tourism', 1999, World Tourism Organization, and national statistical offices; 'Netherlands Statistical Yearbook 2004' (http://www.cbs.nl/en/publications/articles/General/statistical-yearbook/a-3-2004.pdf); 'Key Figures on Tourism & Recreation in the Netherlands (http://www.stichtingrecreatie.nl/nederlands/publicaties/Key%20figures%20Tourism%20and%20recreation%20Holland%20edition%202004.pdf)

Outbound travel in the Netherlands increased from 13 million trips in 1985 to 16 million trips in 1997, significantly below the 22 million trips undertaken in 1996. By 2003 the number of outbound trips remained at the 16 million mark due to the Dutch recession.

Inter-regional travel increased at ten times the rate of intra-regional travel although trips to European destinations remained at over 88% of all travel in 1997. The leading destinations for Dutch travelers in 2001 were France, Spain, Germany, Austria, Belgium, Turkey, Greece and the UK.

28% of the Dutch undertake solely foreign holidays, 32% undertaken domestic and foreign holidays and 22% undertake solely domestic holidays.

In 1996 the average stay was 11.8 days down from 12.7 days in 1990.

The Dutch travel mostly by car, followed by plane, coach and train.

The most popular types of accommodation are hotels/B&B (40%), camping/caravanning (18%) summer house/holiday cottage (18%) apartments (13%), and other (13%).

Total expenditure on foreign holidays undertaken by the Dutch is shown below:

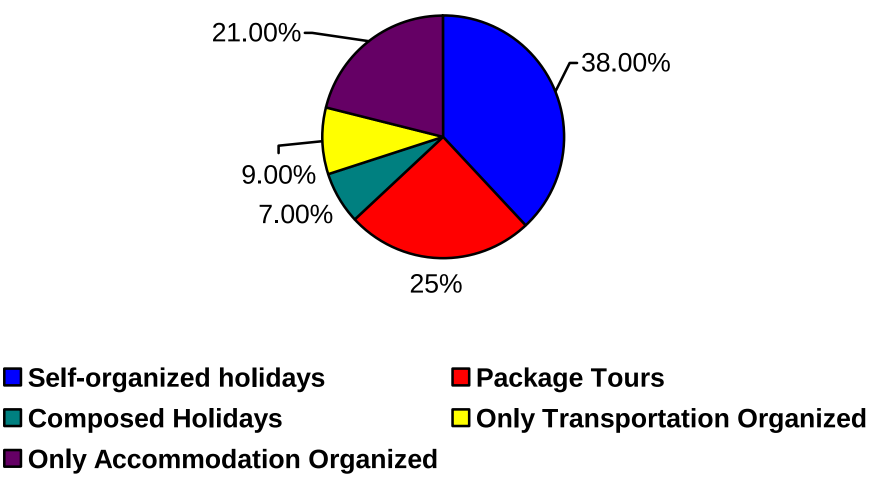
1998	Euros 572
1999	Euros 571
2000	Euros 595
2001	Euros 601
2002	Euros 581

The Netherlands are one of the most densely populated countries in the world. 40% of its 16.3m population lives in the highly urbanized Randstad area. Unsurprisingly, one of the main motivational triggers for overseas travel is to experience a wide and varied landscape. Outdoor activity and soft adventure – particularly walking and cycling (the latter being particularly popular with the Dutch) offer strong marketing propositions.
The potential for city break traffic has increased substantially over the last 2 years with the explosion of low-costs airlines, especially from Amsterdam's Schiphol Airport. More than one third of Dutch travelers interested in taking a city trip say that

low-cost carriers are a reason to go on *extra* city trips. City and Short-Break products have a good opportunity to win business from this market in 2005.

Foreign holidays are organized in the following ways:

Figure 22. Travel Arrangements for Dutch Outbound Travelers



In 2003, a profiling analysis of the Dutch market came up with six main lifestyle segments:

Independent Wanderers (32% of analyzed addresses)
Younger people, not older than 35 and families with older (10-17 years) children. Going on holidays in high season in Europe for about 2 weeks. Trekking and touring with overnight stays in B&B's or at camp sites. Interested in both culture and nature as well as shopping. This segment is highly interested in going out and music and loves to watch series on television and other entertainment programs.

Touring Seniors (24% of analyzed addresses)
Touring seniors enjoy their leisure now they have retired. They enjoy several short holidays per year. In spring they take their time to tour around Britain with their car and caravan for 2 weeks or more. They visit cultural attractions. Income is average to twice average.

Cultural Wealthy (17% of analyzed addresses)
Cultural wealthy have a busy life. These singles and couples with an age between 35 and 60. To escape their busy life, they take a short break in off season, go sailing or play golf. This segment has an income of 1.5-3 times average.

Organized Elderly (11% of analyzed addresses)
Organized elderly usually are couples or singles. They like to book an organized (coach) tour for about 1 week, or maybe 2 weeks to cities as well as gardens. They

prefer to stay in hotels. About 52% of this segment does not have a connection to the internet.

Enthusiastic sportsmen (10% of analyzed addresses)
When they go on holiday, they take their video or photo camera with them and travel by car. The beautiful countryside is being explored by bicycle or by foot. They also play golf. The income of this segment is 1.5-3 times average.

Religious Greens (5% of analyzed addresses)
Religious greens have a few working years to go or are retired already. Their 2 weeks or longer summer holiday will be based on nature and countryside. Most of the people travel in high season and spend the night at a campsite or in a holiday home. Income is modal to 1.5 times average.

A 2003 report suggests that the Dutch travel psyche is moving towards what it calls a ‘hedonistic society’ model. Dutch travelers are increasingly looking for holiday options that give them a memorable and rewarding holiday experience.

66% of the Dutch population are said to have online access. According to a 2002 study, 30.77% of active Internet users in the Netherlands logged onto travel websites.

The Dutch have 20 days annual leave and these are supplemented with 8 public holidays. School holidays are taken as follows:

February/March	1 week
April/May	1 week
July/August	6 weeks
October	1 week
December/January	2 weeks

Caring for the Dutch Traveler (www.tourismtrade.org.uk)
The Dutch are information hungry. Before traveling, they try to find out as much as possible about their destination through the internet, books and brochures. The Dutch have a good command of the English language and are happy to use it. However, when marketing to the Dutch, language becomes very important. Wherever possible, you should have your Dutch website and promotional literature translated into Dutch. Personal advice is always appreciated, and recommendations on things to see and do in your area, where to eat out, how to use public transport etc. can keep your Dutch visitors with you longer and encourage them to come back. For the Dutch, cleanliness is very important. If you receive complaints from Dutch visitors, try to resolve them on the spot. The Dutch are notoriously tenacious. The old adage of Dutch thriftiness still holds some resonance. They continue to look for and expect a quality product for a value for money price. But a significant proportion of the market will pay a little extra for a quality experience e.g. mid-price accommodation, spa products and culinary breaks.

The emergence of new media combined with a weak economy means print media is attracting reduced advertising and readership levels. The result is that fewer journalists are doing more work, so time is increasingly precious. Attracting Dutch media to press launches and on press trips is increasingly difficult and, more than ever before, is only possible where supported by a strong, relevant and well considered media proposal.

Advertising is expensive in the Netherlands, and there are a huge number of publications.
The main newspapers and magazines are listed below:

- Algemeen Dagblad Circ 360,000 (Liberal)
- NRC Handelsblad Circ 265,000 (Liberal)
- Het Parool Circ 90,360 (Independent local paper)
- De Telegraaf Circ 808,300 (Conservative)
- Trouw Circ 126,000 (Protestant)
- De Volkskrant Circ 346,000 (Progressive)

- Kampioen, Circ. 3.5 million. Monthly magazine. Published by the ANWB (Dutch AA), and sent to all members, reaching an estimated 50% of all Dutch families. Classified advertising section.
- Reizen Circ. 48,200 Another ANWB monthly, concentrating on travel, mostly for the independent traveler, with most readers falling into the higher income brackets.
- Other key consumer travel magazines include Grande, National Geographic Traveller, Reisgids, Op Pad, and Reis & Geniet.

The travel trade publications include:

- DIT Reismanagement
- Reisrevue
- Reisburo
- Travelution
- TravelMatch

Doing Business with the Dutch (www.tourismtrade.org.uk)

Dutch consumers tend to research a destination in depth prior to travel. They are more likely to purchase air only and arrange their land content on arrival. The Dutch are passionate about independence when traveling and high proportion of visitors include a self drive campervan module in their itinerary.

Online

The Dutch consumer uses the Internet extensively for research. Internet usage is good across all age groups and the Dutch are very open to new technology, especially the younger generation who use it increasingly for bookings, which suits their independent travel style.

Travel Agents
There are some 1,680 ANVR agencies in the Netherlands (those belonging to the Dutch Federation of Travel Agents – www.anvr.nl). In addition, there are 500 Rabobank outlets selling travel packages, accounting for 10% of overall packages. Retail agents with groups departments occasionally initiate special tours and excursions, usually in conjunction with a newspaper or an association.

The Internet is expected to have a dramatic impact on the travel retail market as hotels, airlines and tourist attractions increasingly market their services direct to customers. Some of these businesses are reporting a high increase in Internet bookings, marginalizing the need for the travel retail market. Consumers are now able to book their holidays direct, including ancillary services such as hotels and

travel bookings. Travel retailers have begun to try to counter this trend by making their services more accessible over the Internet.
During 2002, travel agents sold 14% of all overseas trips via the Internet. In contrast, 31% of bookings for foreign trips where made over the phone and 50% via face to face consultation. Travel agencies are especially active in expanding services offered via the Internet. The number of retail travel outlets in the country is growing, in line with the trend towards offering more tailored holidays.

Increasing numbers of retail trade operations in the Netherlands are reporting financial difficulties, partly due to the influence of the internet. This is likely to result in further consolidation and contraction in the industry, with the survivors being those who adapt to niche product opportunities and to a more service-oriented culture. Many of the larger tourism providers still get the vast majority of their bookings via the trade.

Tour Operators

Tour operators sell their product through their own or independent travel agencies. Increasingly, they also sell directly to the consumer through the internet.

The package holiday market is dominated by TUI and Thomas Cook. Between them they account for a third of all package holiday bookings. Giants though they may be in the Netherlands, major operators are relatively small fry. German conglomerates now own these companies. This type of consolidation has seen decreased flexibility on new programming and increased pressure on suppliers' prices.

The main planning period for tour operators is Sept/Oct. The Dutch still start their holiday planning as early as Dec/Jan, so operators will have main-season programs finalized in time for this period.

Dutch operators will typically use a mix of direct contracting and working through ground handlers. Among medium and smaller operators the trend has been to specialize to survive: to offer the kind of programs which make little sense in volume terms to the major players. These are normally small individually owned operations specializing in a variety of special interest holidays including cycling, walking, golf, sailing and garden tours to name a few.

In addition, associations such as walking clubs or evening colleges will also organize holidays for their members through travel agents.

- Postpone business entertaining until you have developed personal relationships. Even then a quick lunch is likely to prove more acceptable – and hence more productive – than dinner. The Dutch value their private life.
- Make appointments in advance – preferably by fax and if necessary with a follow-up phone call a few days later. Re-confirm verbal arrangements by an e-mail, a fax or a letter. Announce your name and company when asking for people by phone. This is standard Dutch practice.
- Send potential business partners your sales documentation in advance, so that they can do their preparatory homework. Be punctual. The Dutch tend to arrive early for appointments and will expect you to turn up on time. Try to get a message through if you are delayed. Get to the point. Your contacts will assume you want to do business and are much more likely to respond positively to a direct and forthright approach.
- If your visit coincides with birthday celebrations, offer your congratulations. The Dutch place great emphasis on birthdays. Prove that you mean business by following up as soon as you get home. Finally, remember that loyalty pays. Remain faithful to your Dutch business partner and they will remain faithful to you.

- As the ability to communicate in English is a basic prerequisite for anyone working in the Dutch travel trade, it can be tempting to talk to business partners as if they were native speakers. Few are. Keep language straightforward and avoid ambiguity. Wherever possible, you should have your Dutch website and promotional literature translated into Dutch.

The major travel fairs in the Netherlands are:

- VIB, Maastricht
- Vakantiebeurs, Utrecht
- Fietsvakantiebeurs, Nieuwegein (nr. Utrecht)
- Op Pad Beursfestival, Utrecht
- 50+, Beurs

Further details on travel fairs can be obtained from
http://www.1world2travel.com/article.php?articleID=1050

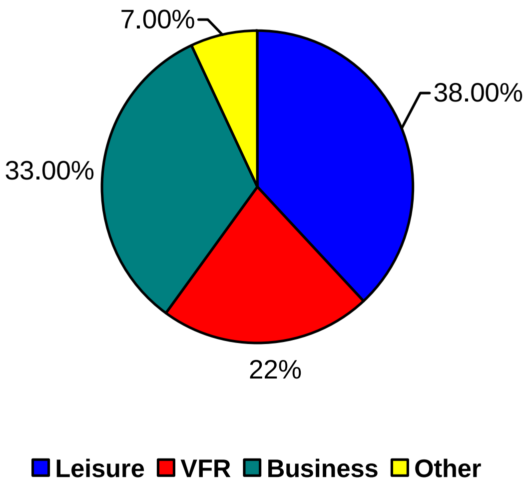
Poland

Adapted from information available from VisitBritain (www.traveltrade.org.uk), Tourism British Columbia (www.tourismbc.com), Tourism Australia (www.tourismaustralia.com), Industry Canada (http://strategis.ic.gc.ca/engdoc/main.html), European Travel Commission (www.etc-corporate.org), Tourism Marketing Information System (www.tourmis.info) and the World Tourism Organization (www.world-tourism.org). Additional information from 'Changes in Leisure Time: The Impact on Tourism', 1999, World Tourism Organization, and national statistical offices; Institute of Tourism, Warsaw (http://www.intur.com.pl/itenglish/departur.htm#char_out).

In 2003, there were 37 million international departures from Poland. This represented a 3.9% decrease on the previous year. The major destinations were Germany (36.5%), Czech Republic and Slovakia (8.7% each), Italy (8%), Austria (5.5%), France, Ukraine, Belgium and UK (3% each) and The Netherlands, Croatia, Greece and Spain (2.4% each). There were 3.3 million tourist trips.

Like the residents of other European countries, the Poles travel most frequently to neighboring countries and the domestic market dominates Poland's tourism sector.

Figure 23. Purpose of Visit for Outbound Polish Travelers



The proportion of the Polish population undertaking leisure trips has declined from 48% in 2003 to 38% in 2004.

Average length of stay in 2003 was 10.9 nights. This increased to 15.9 nights for stays in Southern Europe and the Mediterranean and 13.4 nights in Germany and was lower in Poland's Eastern neighbors, the Czech Republic & Slovakia.

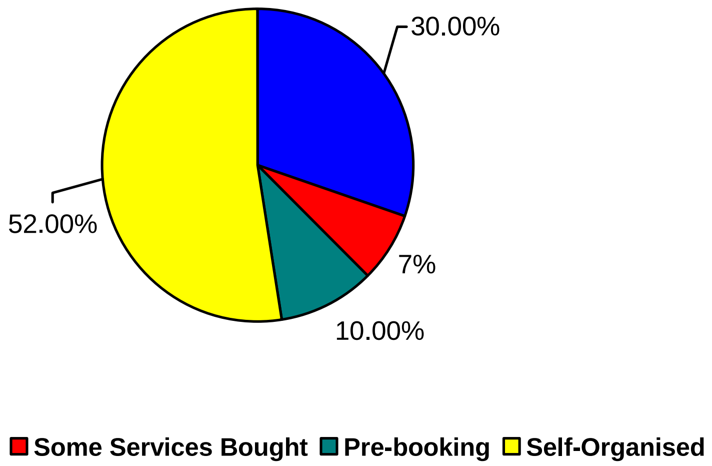
Polish tourists abroad stay mainly in hotels, but they also frequently choose rented rooms or accommodations in pensions. Every fifth tourist stays with relatives or friends.

Per trip expenditure was approximately US$439 in 2003. In-country expenditure averaged at US$20 per day. Higher expenditures (both in-county and trip) were recorded in Southern Europe and the Mediterranean and West and Northern Europe. Lowest expenditures were recorded in the Czech Republic and Slovakia.

Shopping could be successfully marketed in combination with other elements of travel for Polish tourists. Discount shopping malls, which are rare in Poland, could be marketed effectively as combination tours that also feature cultural or sporting activities, or theme parks.

Most Poles traveling abroad are young, although the number of middle-aged tourists is increasing (40% are people between 35 and 44).

Figure 24. Travel Arrangements for Polish Outbound Travelers



In 2002, package tours were bought primarily to South Europe and the Mediterranean (59%), West and Northern Europe (31%) and Czech Republic and Slovakia (32%). Self-organized trips were undertaken primarily to Germany, Eastern Neighbors and the Czech Republic and Slovakia (56%).

Poles are now the most frequent travelers among residents of Eastern European countries. The profile of the typical Polish traveler abroad has changed significantly during last several years. 38% of Polish travelers are university graduates, and 55% are secondary school graduates. Price is the primary decision making factor for the majority of Polish travelers, who are not yet very familiar with the standards of world travel services and very frequently do not know what they can expect from a well-prepared tour or travel offer.

Internet penetration is relatively low in Poland, with only 23% of the population having Internet access. Consumers still rely on printed materials. In 2003, 25% Poles aged between 15 and 75 used the internet in Poland. Most of those users (54.3%) access the internet at home, while 24.4% at work, 23.8% at school and around 15% at internet cafes.

Polish school vacations are in July and August, making those months the "high season" period.

Caring for the Polish Traveler (www.tourismtrade.org.uk)

Polish tourists are very interested in history and traditions and like visiting museums and galleries. They have a good knowledge of English but they prefer to have Polish-speaking guides for sightseeing tours and highly appreciate having detailed itineraries and guides in Polish.

Poles are religious and if they are staying over Sunday you can be asked about the closest Catholic church. Most Poles are used to a continental-style breakfast and a fairly long break for lunch. Offer a fixed menu as they can take a long time selecting their meal. Alternatively, a buffet is a good option. In spite of the stereotypes, Poles are not large consumers of alcohol, and excessive drinking is frowned upon.

Daily Newspapers & Circulation

- Gazeta Wyborcza 435,000
- Super Express 305,376
- Rzeczpospolita 247,638
- Przeglad Sportowy & Tempo 161,784
- Trybuna 82,497
- Zycie Warszawy 33,270

Travel Trade Press & Circulation

- Wiadomosci Turystyczne 6,000
- Rynek Turystyczny approx. 4,000
- TTG Polska 8,000

Consumer Travel Press & Circulation

- Voyage 45,000
- Podroze 36,000
- Poznaj Swiat 20,000

Doing Business with the Poles (www.tourismtrade.org.uk)

Poles are not great enthusiasts of package tours, and do not demand that every detail of their vacation should be prepared. They prefer to organize the trip on their own. However, tour operators and travel agents are becoming more influential in the consumer's decision-making process in Poland. If a product or destination is not in a tour operator's catalogue, travel agents are often reluctant to sell it. The most competitive factor for selling a tourism destination or tourism product in Poland is price. Also important are advertising and promotion, while quality is still not a leading factor.

The tourism market in Poland is currently in the process of very significant development and transformation from a market of marginal importance into one of the leading markets in Europe.

Until 1990, there were only a few Polish tour operators and travel agents, all of them state-owned. From 1991 to 1995, there was an explosion in the establishment of small (below 5 employees), private travel agencies. The market situation changed dramatically in 1996 when large, foreign wholesalers of tours, including Neckermann of Germany, TUI of Germany and ScanHolidays (internationally owned) began opening offices in Poland.

Currently, there are approx. 3000 companies in the tourism sector, registered by the Ministry of Economy, Labor and Social Policy. The majority of Polish travel offices are rather small companies with up to 5 employees. Only about 650 companies employ more than 5 people. The remainder of companies in the market is expected to become travel agents representing large tour operators.

Small travel companies are also expected to concentrate on specialized trips such as sailing tours, language travel courses, horseback riding trips and custom-made trips. The United Federation of Travel Agency Associations (UFTAA) was founded in 1990 and represents travel agencies and tour operators with established offices in Poland. Nearly 400 major travel offices are affiliated to the Polish Chamber of Tourism.

- While the larger agencies are doing well, they recognize at the same time the need for massive investment in technology to remain in business. The smaller companies are finding that margins are under pressure and that they can no longer run the operation as a family business. Most agencies are computerized. Internet and booking system technologies are being actively pursued. Poles have a good technical education and are not afraid of new systems but smaller agents often still work with faxes and paper.
- Poles are generally fairly formal and punctual. It is usual to shake hands on greeting and it is still quite common for ladies to have their hands kissed.
- English is best known in Warsaw and by the younger generation, whereas amongst older people and in western Poland, German predominates.

TT Warsaw is the largest holiday fair for trade and consumers in Poland. In 2002 454 exhibitors and 40,200 visitors attended the show. 10,000 of which were trade visitors and 460 journalists.

The Tour Salon Travel Fair, Poznan is the largest trade show of its type organized in Poland, with almost 20,000 visitors in 2003, including 372 accredited journalists.

Further details on travel fairs can be obtained from
http://www.1world2travel.com/article.php?articleID=1050

Portugal

Adapted from information available from VisitBritain (www.traveltrade.org.uk), Tourism British Columbia (www.tourismbc.com), Tourism Australia (www.tourismaustralia.com), Industry Canada (http://strategis.ic.gc.ca/engdoc/main.html), European Travel Commission (www.etc-corporate.org), Tourism Marketing Information System (www.tourmis.info) and the World Tourism Organization (www.world-tourism.org). Additional information from 'Changes in Leisure Time: The Impact on Tourism', 1999, World Tourism Organization, and national statistical offices.

In 2002, 24.1% of Portuguese citizens traveled to foreign destinations compared to 23% the previous year. Preferred destinations include Spain (47.8%), France (11.8%), Brazil (7.3%) and UK (2.7%).

The Portuguese tend to take at least one vacation each year, normally in the summer or over Christmas. In fact 62.8% of vacationers took their travel in August.

Although travel to foreign countries is popular among Portuguese travelers, European countries are still in the first tier. The main reason is that these trips can be made by privately owned vehicles, lowering travel expenses.

Average daily expenditure in-country in 2002 was US$60 excluding accommodation.

Portuguese people enjoy traveling to foreign countries, the preferred summer destinations are exotic, tropical beach vacations and/or visiting new cities and landscaping. A combination of both is a perfect choice. In winter many travelers enjoy ski resorts throughout the world. They like to eat at good restaurants and visit attractions. The preferred activities when on vacation are:

- rest and personal care, regenerate the mind and body
- outdoor / beach activities
- exposure to different cultures
- attendance at attractions and theater

The Portuguese are very price conscious as far as accommodation is concerned. Good value-for-money and thematized/ lifestyle products such as health, fashion shows, film festivals, etc. are popular and should be promoted through a calendar of events.

Age, residential area and social status are a few of the factors that influence vacation tendencies in Portugal. Age is a very important factor for the traveling community - the younger sector of the population is the one that travels most. This is due in part to the special reduced tariffs (student fares) from which the younger generation benefits as well as their less demanding attitude towards quality, either in the carrier or the accommodation.

People living in larger and more populated cities (or areas) tend to travel more where information and services cover a wider range of the population and this group of inhabitants is better informed. They are the ones that use Internet services or travel agents more often -- be it for reservation of accommodations and/or transportation only, or for buying complete travel packages. Urban dwellers value rest and relaxation during their vacations more than those living in less developed regions.

Of the total population that enjoys yearly vacations, 72% prefer the beach, 28% the mountains and inland and only 26% the large cities.

When traveling abroad, the Portuguese like to buy full packages that include transportation, accommodation and guided tours. Portuguese travelers often make last minute decisions about vacations destinations and therefore often may not travel to their first choice destinations. In the past couple of years, some tour operators and travel agents have offered special prices to those who book their vacations 2-3 months in advance.

The media, travel agents and tour operators have a major influence in promoting specific countries as holiday destinations outside Portugal among end-users.

Although Portuguese vacation trends are changing, mainly due to airplane fares being generally more accessible and increase of tourism magazines, people are still conservative about traveling.

Almost 80% of the Portuguese population is online. According to a study in September 2003, however, only 4% of citizens in Portugal claimed to have ever purchased products and/or services online. In 2002, 918 thousand (compared to 685 thousand in 2001) Portuguese used internet tourism sites to retrieve information on their travel destinations. The main objective was to learn about specific destinations (88%), lodging (32%) and flight availability (17%). On-line reservations for lodging were the most popular with, 79% of all the reservations made on-line for lodging alone. Payment for these on-line services was made by credit card (56%) and small percentage through electronic bank transfers.

The Portuguese have 22 days of annual leave. The considerable number of public holidays which creates 'pontes' (long weekends) means that there is a large and frequent movement of short break holidaymakers throughout the year, particularly at Carnival, Easter, early October, November and December. London, Paris, New York and cities such as Prague and Rome are the most popular foreign choices at such times.

Caring for the Portuguese Traveler (www.tourismtrade.org.uk)

Most Portuguese travelers are quite confident about speaking English when dealing with hotels, restaurants, etc. Generally, most of the population has a high level of English as it is taught in school from the age of 6.

The Portuguese are fiercely proud of their long-standing independence. Therefore, they do not appreciated being considered an offshoot of Spain. Hence, brochures should be in English rather than Spanish (if you can't provide Portuguese brochures).

The Portuguese expect private facilities. Provide en-suite bathrooms, even at B&Bs. Tiled bathroom floors are certainly preferable to carpeted ones. Cleanliness is paramount! At mealtimes plenty of bread, butter and still mineral water should be available and meals should not be rushed. This has implications for coach operators who are organizing tours for Portuguese travelers.

The Portuguese like to eat dinner late, around 9pm and they like to chat around the table. 'Bica' – a very strong espresso coffee, which is part of Portuguese life – is a 'must'. People generally drink about three cups a day.

The Portuguese are 'shopaholics' when they travel. It is worthwhile mentioning the proximity of shops and markets to your hotel or business travel venue as well as pubs and interesting excursions.

There are a large number of daily and weekly newspapers with one of the main titles, *Diário de Noticias*, reaching 88,000 and the weekly *Expresso* reaching 140,000. The numerous specialized titles on topics such as fashion, tourism travel supplements (*Publico-Fugas*), politics and computers are very popular. In terms of special interest media, the market is still very fragmented. There has been a boom in consumer travel media with new titles appearing every year, being main references *Voltao ao Mundo, Blue Travel, Rotas e Destinos*.

Doing Business with the Portuguese (www.tourismtrade.org.uk)

The trade sector is organized in tour operators and travel agencies:

Tour operators

Tour Operators sell their product through their own or independent travel agencies. Increasingly, they also directly to the consumer through the Internet since most have web pages.

Mid-October to late January is the main planning period for summer and all-year programmes. The tour operators in Portugal tend to release summer brochures quite late so that very few are ready for BTL, the main travel exhibition in the country

Portugal is a very late-booking market. Portugal saw a 33% increase in online travel bookings in 2003. Online research in Portugal has revealed that 74%of respondents use travel agents when booking their holidays. Portuguese tour operators are heavily investing in the internet as an information channel for travel agents. Most Portuguese tour operators now offer reservations services and are issuing documents on-line.

The start of 2000 saw a major change in the travel trade structure in Portugal. The main power of the supplier is now concentrated in four Portuguese groups: Sonae Turismo, Grupo Pestana, Abreu Es Viagens (Espirito Santo Viagens). There are also smaller groups like Tap Air Portugal Tours. These four groups represent over 70% of the market. Over the last year most operators have gradually started operating web pages and on-line reservations are now available.

Travel agencies

Travel agencies usually sell products produced by tour or coach operators. Some travel agencies, however, also have a group department which organizes holidays for associations, or incentives trips. Hypermarkets are popular travel agency outlets in supermarkets.

In 2002, 853 thousand vacationers used a travel agent, compared to 683 thousand in 2001. Travel agents play an important role in planning vacations and suggesting interesting destinations but face some competition with Internet services offers and the wide range of travel magazines available to the public. People in the smaller, interior cities of Portugal still depend on travel agent for holiday suggestions and for acquiring the tickets, and/or vacation packages. In larger cities, where information flows more easily and rapidly, and as travelers become more informed about tourism destinations, they also become more independent and book lodging, buy show tickets and city tours on-line without consulting a travel agent. Travel agents are still the leaders in selling airplane tickets or holiday packages. However, people living in Portugal's largest cities, Lisbon and Oporto, in the 14 to 35 year old age group range, used these services more often. The principle advantages of using travel agents are time saving, comfort and guaranty of quality

Tour operators and travel agents play an important role when it comes to suggesting holiday destinations - Mexico, Cuba, Dominican Republic, Brazil, Tunisia, Turkey and the U.S. have been heavily promoted and are popular among the Portuguese. Specifically countries below the equator where summer starts simultaneously with the Portuguese winter. Travel agent services are sought in the cases where the holidays are spent away from home. Most Portuguese make their travel arrangements two months or less ahead of the departure date

Main on-line travel agencies/tour operators are www.exit.pt, www.netviagens.pt, www.geotur.pt.

- Work on personal relationships. That is how business is built up in Portugal; the right contact is the key. Without personal contact it is hard to win business. Be flexible.
- Most operators and agents speak very good English and are indeed keen to conduct business negotiations in English. Nevertheless, knowledge of a few courtesy words in Portuguese is always appreciated.
- The number of smokers in Portugal is very high, so there are very few non-smoking areas in restaurants and bars. During lunches and meetings the Portuguese expect to be able to smoke.

The main travel fair in Portugal is BTL held in Lisbon each year.

Further details on travel fairs can be obtained from http://www.1world2travel.com/article.php?articleID=1050

Russia

Adapted from information available from VisitBritain (www.traveltrade.org.uk), Tourism British Columbia (www.tourismbc.com), Tourism Australia (www.tourismaustralia.com), Industry Canada (http://strategis.ic.gc.ca/engdoc/main.html), European Travel Commission (www.etc-corporate.org), Tourism Marketing Information System (www.tourmis.info) and the World Tourism Organization (www.world-tourism.org). Additional information from 'Changes in Leisure Time: The Impact on Tourism', 1999, World Tourism Organization, and national statistical offices.

Russians travel to a wide range of destinations, being especially welcomed in many Asian countries where visa restrictions have already been removed or simplified as part of an incentive to encourage high spending Russians to their shores.

The Southern European resorts have also proved very popular, with Turkey taking 27.2% of the market in the summer period (2002), Spain 11.2%, Cyprus 8.4%, Croatia 7.6%, Italy 4.5%, France 4.5%, Greece 3.2% and Bulgaria 2.9 %.

The number of visits by business travellers in 2003 was 42% of all visits. It is the norm for Russian business travellers to spend the weekend before work or the weekend after at leisure in the business destination. Wives or partners often join the businessman on his trip. There are a small number of niche and often "elite" corporate tour operators in the Russian market.

In the period January to September 2003 real disposable income rose 13.3% compared to the same period of 2002. The share of household spending on purchases of foreign currency rose from 5.7% to 7.6% over the same period. This signals a continued increase in the number of Russians able and willing to undertake overseas travel.

Russians like high end luxury goods – five star hotels and ground services and spa breaks.

The importance of Moscow for the travel trade cannot be emphasized enough as it accounts for approx. 70% of the Russian market. It is the largest city in Europe after London and the population is on average 10 times richer than the average Russian. Moreover because most visas are issued in Moscow and most flights leave from there, it is only natural that nearly all the tour operators are based there.

The main prospects from Russia are concentrated in two main cities and regions – Moscow, St. Petersburg. Another emerging centre for travel trade is Yekaterinburg and the cities around (Perm, Cheliabinsk, Ufa and Tyumen). This region is interesting partly due to its mineral wealth but also because both the British and the Americans have set up consulates there and a number of international airlines fly there directly.

The British tourism industry has established distinct segments of the Russian market:

Re-Emerging Middle-Class Family

Estimated size of segment: 10 million. Age group 25-54 with one to two children. The average length of stay is 6 days. This segment usually travels as part of a package tour but not necessarily as part of a group. The average spend is naturally lower than other segments around $120/ day. This segment has a huge potential to grow over the next few years if the economic situation remains stable.

Business Traveller
Estimated size of segment: 3-5 million. Age group 25-45. The average spend is quite high around $220/ day and the average stay is exceptionally long for this segment, around 10 days. This is because the business traveler is quite often also trying to take a holiday at the same time. After attending a trade fair and participating in conferences, a few extra days will be added on for sightseeing and shopping.

"New Russians" (nouveaux riches)
Estimated size of segment: 0.5-0.8 million. Age group 25-45. The average stay is around one week. They are mainly couples or a small group of male colleagues usually traveling without their children. They are concentrated in the large urban centers but especially in Moscow. The most notable characteristics about this group are the amount of money that they wish to spend, but they require much attention.

Internet access in Russia is still relatively low, but increasing, with 20% of the population now having Internet access.

Caring for the Russian Traveler (www.tourismtrade.org.uk)

- Although many Russians are highly educated, the learning of foreign languages was not particularly encouraged under the previous regime. They will not expect you to speak Russian but will prefer to have Russian speaking guides for sightseeing tours and highly appreciate having detailed itineraries and guides in Russian.
- Russian tourists can be quite demanding and many visitors are disappointed by small room sizes in hotels in Europe. All rooms are assumed to have en-suite bathrooms.
- Complaints will be addressed immediately, although most clients prefer to discuss things with their agent before going directly to the hotel.
- Russians are hearty eaters and expect their meal at lunch time to be hot. Meat is still considered to be more prestigious than fish.
- Don't forget to point out local information, especially concerning pubs, shopping facilities and museums, galleries or theatres.

Doing Business with the Russians (www.tourismtrade.org.uk)

In Russia there is not always a clear division between tour operators and agents. Larger agents who would normally be competitors divide the responsibility of travel organization: one books the hotels, another organizes visas, another deals with the ticketing. This pooling system is often based on old friendships from the previous *Intourist* structure, it can also be considered as a clever way of cornering the market and deterring competition.

This structure has evolved due to a lack of trust between people in the industry, especially the middlemen. However, with time, this is becoming less and less profitable as Russian tourists are no longer willing to pay for the inefficiencies of a small agency dealing directly with the supplier. As a result, more consolidation is likely to take place, but pooling will continue to function until it is no longer feasible.

Many agents are keen to deal with hotels and attractions directly on the assumption that it is cheaper. More experienced agents prefer to work through a well-established, competitive ground handler.

In 1994, the State Committee of the Russian Federation for Physical Culture and Tourism was charged with issuing licenses to travel agents involved with international tourism. By March 1995, nearly 2,000 travel agencies had been issued with licenses. Registered agencies have the possibility to join RATA, the Russian Association of Travel Agents. The more successful agents tend to be members.

Most tour operators are based in Moscow and St Petersburg. There are around 20 leading tour operators. As a rule, they are larger companies with 60-100 employees with an annual turnover ranging from $15-20 million to $120 million. As a distribution channel they use an agent network, nevertheless, direct sales can make up to 50 % of the sales.

Many tour operators specialize in single destination sales. They are middle size or small companies (6-20 employees), with a turnover of $ 250,000/year. These operators might be well-known and respected among a number of travel agents, and pool together with tour operators concentrating on other destinations to force a company's image as a multi-destination tour operator. As a rule, these small tour operators mainly deal with F.I.T. travel.

Agencies are spread across Russia, but in the regions the quantity of agencies in a large city may be limited to less than 100 agents. While in Moscow there are estimated to be 4217, in Saint Petersburg there are only 327 companies holding travel agent licenses.

The present trend is for small agencies and regional tour operators to work through a variety of tour operators in Moscow, especially for business and long haul destinations.

Travel agent brands are a novelty for the Russian market. There are some major ones that recently appeared on the market such as: "Kuda.ru", "Last-minutes offers", "RFR Group", "Seven Skakunov", "Green.Ex" and "Mashina vremeni".

- If you wish a Russian to consider you as a serious business partner, do dress smartly (an elegant tie or scarf can often do the trick). Do bring posters, brochures and any other publicity material and any other publicity material with you.
- Be flexible about the date of the payments; there are still problems with transferring money abroad. However do make sure you get the prepayment up to five days before the visitors arrive.
- Do expect to negotiate about prices. Do not put all cards on the table at the beginning but keep your final offer until later on in the meeting.
- Tourism is a new industry in Russia and many of the people working in the industry have no prior experience. However they are usually able to learn quite quickly.
- Provide information in Russian wherever possible, even if you just translate a flyer which sits inside your brochure, it will be appreciated. Knowledge of English amongst agents ranges from excellent to non-existent but there is nearly always somebody in the office who can speak English.
- Do expect a cold telephone manner, but do not let this put you off.

The largest travel fair in Russia is the Moscow International Travel & Tourism Show. MITT 2004 featured over 2,700 companies from 110 countries and regions. Visitor figures were strong, reaching over 120,000. In particular, the number of visitors from cities outside of Moscow saw substantial growth with visitors traveling from 730 cities compared to 460 in 2003, largely indicative of the rapid development of the Russian travel market.

Further details on travel fairs can be obtained from
http://www.1world2travel.com/article.php?articleID=1050

Scandinavia

Adapted from information available from VisitBritain (www.traveltrade.org.uk), Tourism British Columbia (www.tourismbc.com), Tourism Australia (www.tourismaustralia.com), Industry Canada (http://strategis.ic.gc.ca/engdoc/main.html), European Travel Commission (www.etc-corporate.org), Tourism Marketing Information System (www.tourmis.info) and the World Tourism Organization (www.world-tourism.org). Additional information from 'Changes in Leisure Time: The Impact on Tourism', 1999, World Tourism Organization, and national statistical offices (www.mek.fi).

A large amount of research on the Scandinavian market is presented in the publication 'Outbound Tourism of Scandinavia– Market Profile' published by the World Tourism Organization. The information below is used to update and supplement information in that publication

In 2003 Danish resident departures totaled 4.88 million, down 55,400 or 1.1% from the previous year. There is a growing trend towards domestic holidays. Most popular destinations for Danish travelers are Sweden, Germany, Spain, France, Italy, UK, Norway, Greece, Austria & Turkey.

In 2003 Finnish resident leisure departures totaled 2.60 million (total resident departures in 2001 6.3 million). Popular destinations included Estonia (26%), Sweden (12%), Spain & Canaries (12%), Russia (6%), Greece (5%), Italy (4%), Norway (2%), Germany (3%), UK (3%), France (3%), Denmark (2%), Portugal (2%), Turkey (2%), and Bulgaria (2%)

The top ten destinations for Norwegian travelers are Sweden, Spain, UK, Denmark, Germany, Italy, Greece, France, USA and Turkey.

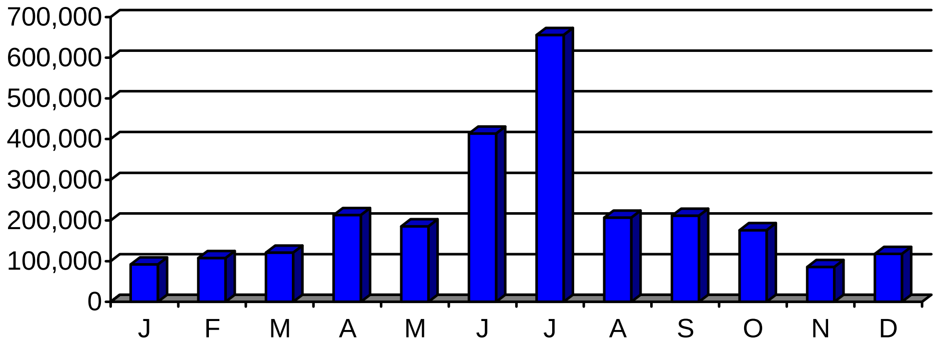
In 2003, Swedish resident departures totaled 11.6 million, down 676,500 or 5.5% from the previous year. The most popular destinations in 2003 were Spain, Germany, Denmark, UK, Greece, Norway, France, Italy, Finland and Egypt.

Of 5.85 million outbound trips made by Finns, 47% were for leisure purposes, 15% for business and professional purposes. The purpose of visit breakdown for Sweden is said to be 49% for leisure and 48% for business.

Nordic people regard holidays as a high priority and many take 3-4 breaks during the year, which helps achieve seasonal spread targets. Nordic domestic holidays are popular in the summer months.

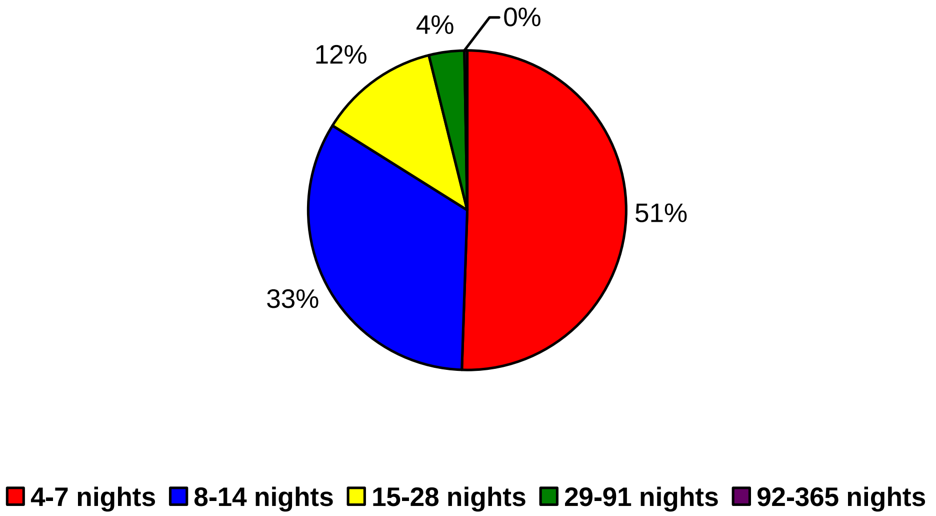
The seasonal spread for Norwegian leisure trips are shown in the chart below. Normally, Finns enjoy a five-week summer vacation and a one-week winter vacation. Therefore, travel abroad is spread evenly through out the year. The busiest season for long-haul travel is June-October. June, July and August are the most popular months for leisure travel. There is also a short high season from Christmas to New Year.

Figure 25. Seasonal Spread of Norwegian Outbound Travel



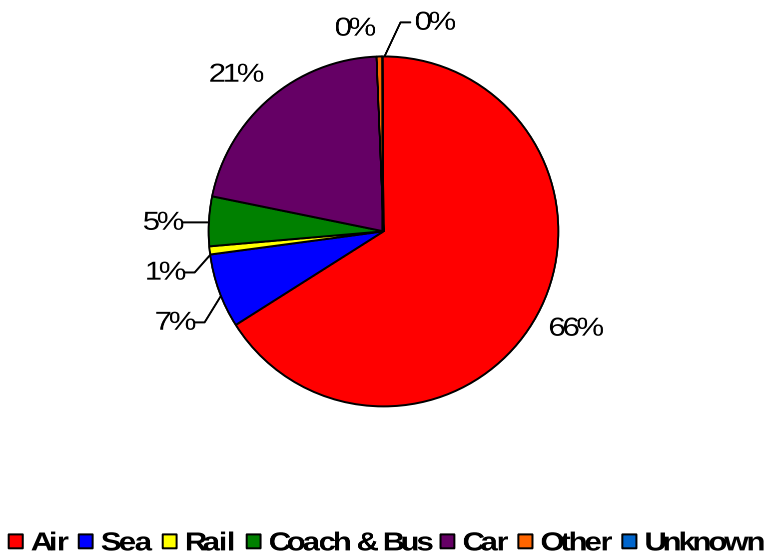
Lengths of stay for Norwegian outbound leisure travelers are shown in the chart below:

Figure 26. Trip Durations for Norwegian Outbound Travelers



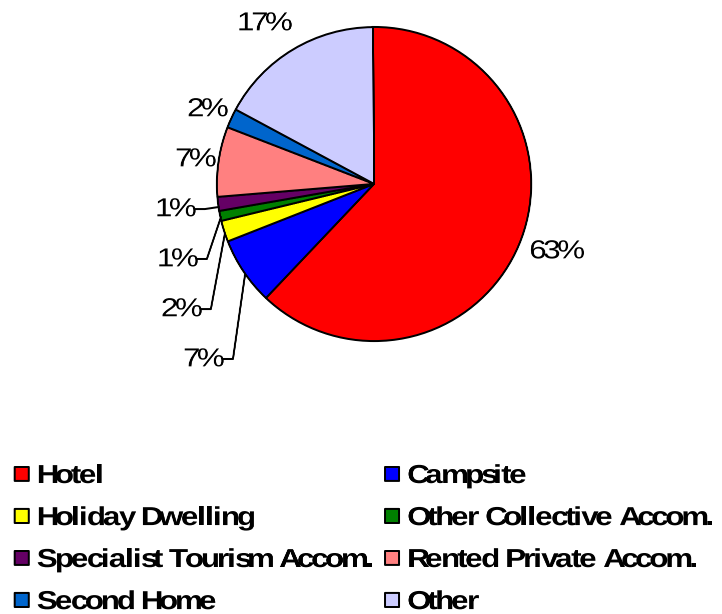
The most popular modes of transport for Norwegian outbound leisure travelers are shown in the chart below:

Figure 27. Modes of Travel used by Norwegian Outbound Travelers



The forms and popularity of accommodation establishments and facilities for Norwegian travelers are shown in the chart below:

Figure 28. Types of Accommodation used by Norwegian Outbound Travelers



According to the Danish Tourist Council an average of 41% of Danish tourists choose to stay in hotels and 14% in rented accommodations. The remaining percentage was split between camping and staying with family or friends.

Individual customers are looking for individual solutions. There is a strong interest for niche and experiential products such as golf (e.g. 3% of Norwegians, 7% of Swedes and 4% of Danes are regular golfers and numbers are increasing). The fact that

Swedes are avid golfers and the Swedish golf season is relatively short does open for increased package tours as well as private golf trips. There are 500,000 registered golfers in Sweden. Some 15 travel agencies sell specialized golf trips, and 57 selling golf trips.

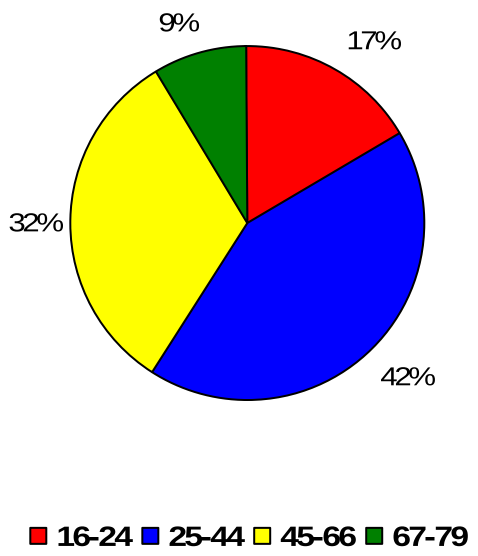
Special interest or activity-led holidays (ecotourism, rafting, mountain climbing, etc) have become more important. People are looking for destinations where they can pursue these interests and activities. Sun & beaches are always of prime interest to the sun deprived Scandinavians.

Value for money is of paramount importance. Scandinavians view the experience as very important – they want to engage in activities such as attending a live performance of a play or musical.

Norwegian women tend to travel on overseas holidays more than men (51% vs. 49%)

A 2003 survey on Norwegian travelers showed overseas trips were being undertaken by the following age groups:

Figure 29. Ages of Norwegian Outbound Travelers



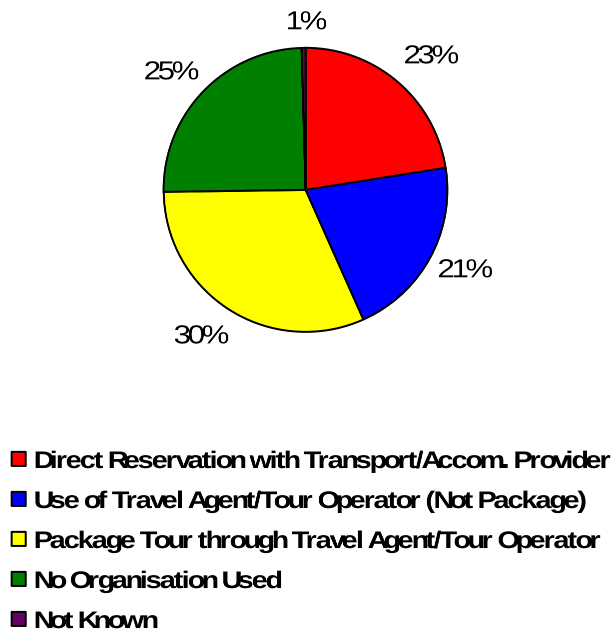
The single most significant group in Sweden is 16-44 year-olds, either single or couples with no children.

The most active Finnish travelers are from the capital region, in the age group of 45-64, well educated and belong to the upper middle class.

Statistics published by the Danish Tourist Council show that 50% of Danish tourists traveling abroad are between 30 and 50 years old, and spend one to two weeks abroad each year. They spend DKK 15,200 (equal to USD2,025) per week which includes: airfare, hotel, meals, entertainment and activities, insurance and local transportation.

Travel arrangements made by Norwegian travelers in 2003 are shown in the diagram below:

Figure 30. Travel Arrangements made by Norwegian Outbound Travelers



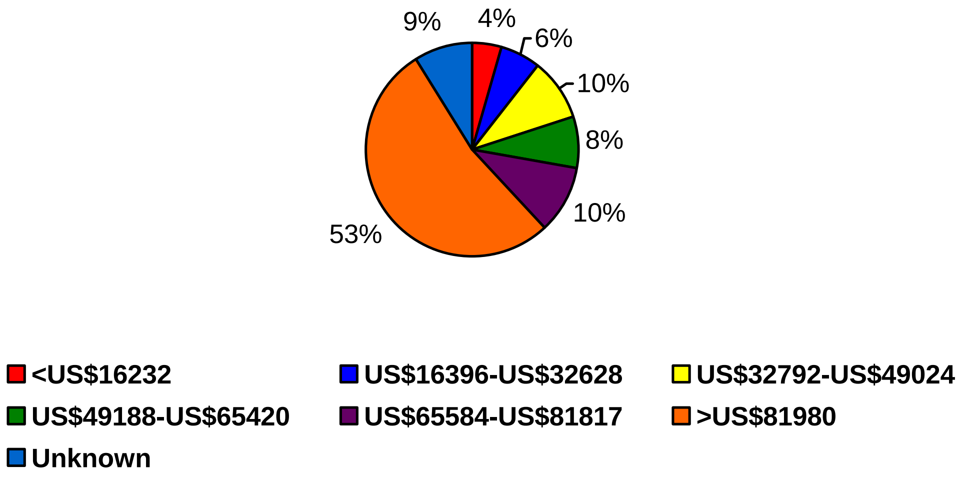
The trend for travel is increasingly last minute, short break, low budget travel.

Because of high IT and Internet usage, it is common practice to shop online. Holidays – whether last minute short breaks or longer charter holidays – are among the most popular commodities purchased online. Travel agents are the biggest losers, as customers book direct with carriers and hotels. This trend will only increase with the introduction of high-speed Internet connections.

There are a large number of travel agents and operators, who are adapting to modern times and have made many of their products bookable on-line. There are a number of operators catering for those who look for specialized trips which are less price-sensitive than the ordinary travel package. These holidays are normally not bookable on the internet, e.g. garden tours, historical tours, tours to musical events, motorsports tours, riding holidays, walking holidays, and the like.

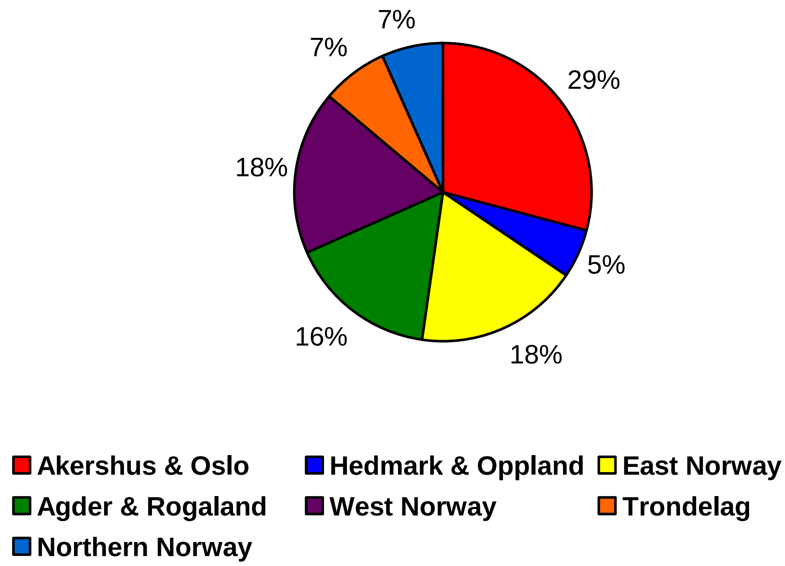
In 2003, a study on outbound travel by Norwegians shows clearly that the higher earners are traveling as much as all the lower earners put together.

Figure 31. Frequency of Outbound Norwegian Travel by Income Categories



Outbound travel from Norway in 2003 by area of residence shows that almost a third of travelers originate from the capital and its surroundings.

Figure 32. Originating regions for Norwegian Outbound Travelers



The Nordic region is at the forefront of technology and e-commerce and Internet/SMS/mobile phones are very much a part of home and work in Nordic life – key facts:

- Internet penetration stands at around 70% for the Nordic region.
- The Nordic region has the largest female on line population in Europe, which is significant in terms of travel planning as women are often the decision makers.
- Nordic countries top the World E-Readiness rankings.
- 83% of the Danish population have access to the Internet, at work and/or at home, an increase from 79% in 2003

- 48% of Danish households have broadband in 2004, and the figure is constantly increasing. The number of internet-users among the older part of the population is also increasing rapidly.
- In Denmark there has been a boom in the sale of travel on the Internet. Over the last couple of years online travel agencies have doubled their turnover each year.
- At least 51% of Finnish Internet users research leisure travel information online, which is above the European average of 47%. Booking levels are improving as user confidence grows
- 42% of Swedish households are expected to have broadband by 2007.

Swedes have five weeks annual leave.

Caring for the Scandinavian Traveler (www.tourismtrade.org.uk)
- Nordic people have a good command of the English language and generally don't mind receiving information or brochures in English. Although Nordic residents can read and understand each other to a certain level, they will NOT accept brochures printed in a Nordic language other than their own. If you take the trouble to get your brochures translated you will create an enormous amount of goodwill!
- Nordic people are very proud of their origins and don't like to be mistaken for another nationality, just because their languages may sound identical. There is rivalry between Swedes, Danes and Norwegians, and Finland is not a former colony of Russia. If you are uncertain, just ask from which country they originate.
- In general, Nordic people like to seek detailed information and plan their holidays before setting off to foreign countries. They like to get close to the 'natives', they are adventurous, and like to go off the beaten track. They are generally friendly people and expect others to be the same. If they happen to spend the night in a luxury hotel and meet an unfriendly staff member, they will remember that person and tell 20 others about it! Generally speaking, they are very easy going and flexible. They are also price-conscious, expecting value for money and efficiency.
- Nordic people are often very conscious of environmental issues, so any efforts on the part of the supplier to show how much they care for the environment will help.
- When it comes to accommodation, Nordic people are used to very high standards of facilities and cleanliness. En-suite bathrooms are essential. Tiled bathroom floors and wooden floors in the bedrooms are certainly preferable to carpeted ones. Smoke-free rooms are also very much appreciated.
- A warm welcome is considered important.

Media in Denmark

There are six Danish national daily newspapers which all have special holiday sections once a week. In addition a large number of regional papers feature travel articles, as well as a number of magazines and other publications covering almost all interests. Business tourism is also dealt with regularly in special supplements by the big national papers.

Consumer Press (main national newspapers with travel section)
- Berlingske Tidende - National daily newspaper with net circulation of 152,000. Sunday edition 184,000 copies. Special travel section on Saturdays.
- Morgenavisen Jyllands-Posten - National daily newspaper with net circulation of 180,000. Sunday edition 240,000. Travel and leisure section on Saturdays.

- Politiken - National daily newspaper with net circulation of 142,000. Sunday edition 177,000 copies. Travel section on Tuesdays.
- B.T. - National daily newspaper (tabloid) with net circulation of around 121,000. Sunday edition 149,000. Travel section on Tuesdays.

Travel trade press
- Take Off - Travel Trade Magazine of Scandinavia. Monthly travel trade magazine read by travel trade in the Nordic countries.
- Stand By - Monthly travel trade publication read by the travel trade in the Nordic countries. Circulation: 21,000

Media in Finland
There is a good range of newspapers and magazines covering almost every interest – including one travel trade magazine. The biggest change in recent years has been the phenomenal growth in radio and satellite broadcasting. Advertising remains relatively expensive in Finland.

Daily newspapers
- Helsingin Sanomat (430,000)
- Aamulehti (137,000)
- Turkuu Sanomat (115,000)
- Kauppalehti (83,000)
- Hufvudstadsbladet (55,000)
- Ilta Sanomats (230,000)

Travel Trade
- Ikkunapaikka (5,000)

Magazines:
- Matkaopas – travel magazine (36,000)
- Lento - leisure & business travel (50,000)
- ET (261,000)
- Glorian – 3 magazines; design, antiques, food & wine (approx 35,000/each)
- Me Naiset (113,000)
- Kodin Kuvalehti (175,000)

Media in Norway
Norway has a very good range of newspapers and magazines covering almost every interest including three travel trade magazines.

Major Travel Magazines (circulation approx 200,000 for each magazine.):
- Reiser & Ferie
- Reis
- Vagabond

Major Newspapers:
- Aftenposten
- VG
- Dagbladet

- BergensTidene

Media in Sweden
Sweden has a good range of newspapers and magazines covering almost every interest, including travel trade and travel magazines. Major daily newspapers and lifestyle magazines have travel sections. Many newspapers and magazines are also available on the Internet, which is becoming an increasingly important media.

Main media (newspapers and magazines) and circulation figures:
- Dagens Nyheter, 361 000
- Svenska Dagbladet, 176 300
- Göteborgs-Posten
- Dagens Industri, 118 000 (business, top management)
- Metro, 270 000 (Stockholm), 80 000 (Götrborg), 60 000 (Malmö)
- Aftonbladet RESA, 450 000
- Allt Om Resor, 40 000
- RES, 60 000
- Vagabond, 30 500
- Check In, 50 000 (general travel magazine)

Trade Press
- Meetings International, 13 000
- Affärsresenären, 85 000
- Konferensvärlden, 19 000
- Hit & Dit
- RESFLEX, 11 000
- Travel News Travel Trade Magazine, 15 000

Doing Business with the Scandinavians (www.tourismtrade.org.uk)
There are many social, economic and cultural similarities between Norway and the other Nordic countries (Finland, Denmark, Sweden, and Iceland).

Internet usage in the travel sector is growing quite significantly. As the majority of operators only print their brochures every two years they rely heavily on the Internet's ability to provide current product, rates and specials. The vast majority of operators in the Nordic region devotes sizeable resources to their individual websites and regards it as an integral part of their business.

Internet usage by consumers is average throughout the Nordic region, with usage higher in Sweden. Consumers are increasingly likely to research online, however only a very small number of consumers book online.

The Nordic Countries, like the rest of Europe, continue to be re-shaped by mergers, consolidations and takeovers. Scandinavia's outbound travel is dominated by a number of dedicated wholesalers/direct sellers namely MyPlanet, ResKonsultoret, Trivselresor, Globetrotter, Tour Pacific, Kilroy Travels, Marco Polo, Profil, Billetkontoret and Hannibal Tours.

Denmark

There are around 1,000 tour operators and travel agencies in Denmark, with a large number of sales outlets; even the Danish tourist information centers act as sales outlets for the local communities. Most major operators are in Copenhagen, although you will also find a number of important operators in the larger cities.

The Association of Danish Travel Agents and Tour Operators (Danmarks Rejsebureau Forening www.drf-dk.dk) is the official trade association with 300 members. A few large charter companies dominate the leisure travel market in Denmark. In addition, there are four large wholesalers, a number of medium-sized operators and small specialist tour-operators with niche products.

There are a large number of tour operators spread all over Denmark, including large and medium-sized coach operators. In general the operators start planning their summer programs in September and the winter programs in March. The bigger tour operators, like Profil Rejser, DSB tours, Kuoni Travel, sell their products via a large number of sales outlets all over the country. Many tourist offices also act as sales agents for the tour operators. General travel agents sell the products of the large tour operators. They are in high street locations and deal in all kinds of travel, including business travel. Many tourist offices also act as sales outlets for the products of the large operators, e.g. DSB travel agencies, Kuoni Travel, Profil Rejser.

Norway

Norway's official travel trade body is the Norwegian Travel Trade Association which has a membership of 420 travel agents. There are around 1,100 tour operators and travel agencies in Norway. Most major operators are located in Oslo, Bergen, Trondheim and Stavanger. There are approximately twenty large tour operators in Norway – mainly based in the cities of Oslo and Bergen.

The large tour operators sell their products through agents all over the country. Programs include travel to countries all over the world. Some large tour operators have departments specializing in special interest programs, sports tours or cultural tours. They also have a business travel department. Norway has specialist agents operating in youth, sport, culture, seniors, self-catering and canal boat. General travel trade agents sell the product of the large tour operators. They are in high street locations and cater for all kinds of travel, including business travel.

Finland

Finland's official travel trade body is the Association of Finnish Travel Agents (AFTA), from whom a directory of all members can be obtained. There are approximately 250 travel agency licenses in Finland, with the number of retail outlets – including tour operators – totaling about 450. The Finnish travel industry is very concentrated. There are a few very large players in both the business and leisure sectors, with branch offices throughout Finland. Finnair is a major influence on the market the airline owns some of the most significant players in both business and leisure sectors. Many operators and agents handle both leisure and business travel.

Finland has a few specialist agents operating in the youth, sports, culture and seniors markets. With a few exceptions, most notably the youth-market, they tend to be small, privately run businesses serving niche markets.

Sweden

Sweden's official travel trade association (RTS) was founded in 1992 and has a membership of some 500 travel-related companies. Most of these companies have branch offices so the real membership is approximately 1,500 offices. The most striking feature of the Swedish travel industry lies in its concentration; the business and leisure sectors are both dominated by a few very large interests. The independents are also often members of alliances.

Sweden has specialist agents operating in youth, sports, culture, seniors, self-catering and canal boat holidays. With a few exceptions, most notably the youth-market, they tend to be small, privately-run businesses serving niche markets.

Scandinavia hosts a number of trade and consumer fairs:

Denmark
Ferie For Alle Herning is Denmark's main travel exhibition held annually in Copenhagen. Due to the opening of the bridge between Denmark and Sweden the exhibition is attended by both Danish and Swedish travel trade, press and consumers. Just fewer than 47,000 people visited the exhibition in 2004.

Norway
Reiseliv (Oslo) is Norway's main travel fair held each year. It is seen as the gateway to the lucrative Norwegian market and is one of the most important places for meeting the travel trade and providing information to the public. 45,000 people visited the exhibition in 2004. The first one and half-day are devoted B2B and Press & PR.

Reiseklar (Bergen) is an annual consumer travel show in Norway's second biggest city, Bergen, on the west coast. 18,000 people visited the show in 2003.

Finland
Matka is the most important trade fair in Finland, held annually in Helsinki.

Sweden
TUR is Scandinavia's leading trade and consumer travel exhibition and is ideal for those companies who are only able to participate in one of the Scandinavian shows. The event takes place in Gothenburg annually. Over 50,000 people visited the 2004 event.
There are also a number of consumer and golf fairs in Sweden every year.

Further details on travel fairs can be obtained from
http://www.1world2travel.com/article.php?articleID=1050

Spain

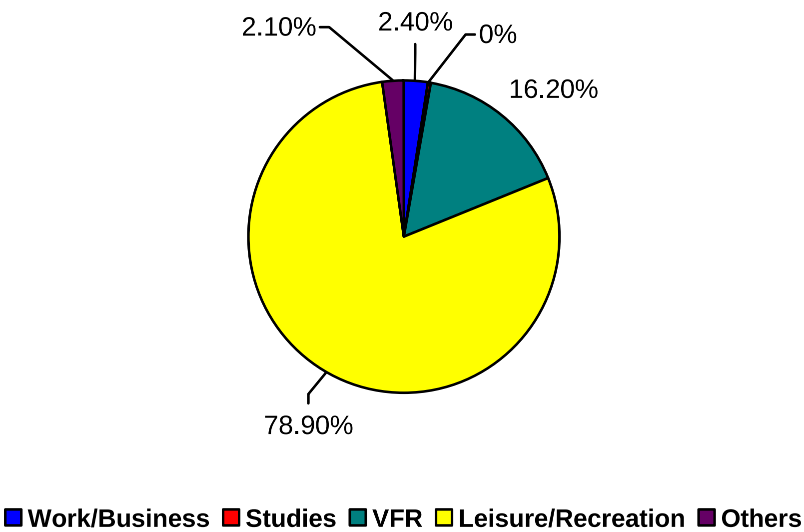
Adapted from information available from VisitBritain (www.traveltrade.org.uk), Tourism British Columbia (www.tourismbc.com), Tourism Australia (www.tourismaustralia.com), Industry Canada (http://strategis.ic.gc.ca/engdoc/main.html), European Travel Commission (www.etc-corporate.org), Tourism Marketing Information System (www.tourmis.info) and the World Tourism Organization (www.world-tourism.org). Additional information from 'Changes in Leisure Time: The Impact on Tourism', 1999, World Tourism Organization, and national statistical offices (www.iet.tourspain.es).

A large amount of research on the Spanish market is presented in the publication 'Outbound Tourism of Spain– Market Profile' published by the World Tourism Organization. The information below is used to update and supplement information in that publication

According to "Familitur" (the report published by the "Instituto de Estudios Turisticos" of the Spanish Ministry of Economy) in 2002, Spaniards made 124 million trips, 35% (43 million trips) of which were considered tourism travel and 65% mainly short trips to second homes. (Many Spanish families own a second home either in the mountains, the countryside or at seaside resorts). The report indicates that overall tourism travel in 2002 decreased 3% from the previous year.

9.2% of all travel in 2004 was overseas. WTO reports 17.1 million Spanish resident worldwide arrivals in the year 2001 (0.8 percent below the previous year). According to WTO data for 2001, Europe accounted for 90% of all Spanish worldwide arrivals, America 5.8% and Africa 2%. Arrivals in Asia/Pacific were 1% of worldwide arrivals and those in Middle East 0.6 percent Major country destinations include Portugal, France, Andorra, Italy, U.K., Germany, USA and Morocco.

Figure 33. Purpose of Visit for Spanish Outbound Travelers



Data on purpose of travel (above) for 2004 includes domestic as well as international trips and therefore is weighted highly towards leisure travel.

Although the main holiday-taking season remains July and August, there is an encouraging trend towards holiday-taking in the shoulder months of May, June, September and even October. There is also a trend towards taking shorter and more frequent holidays, including city breaks, rather than spending a month at the beach.

The Spanish love being out on the streets in the evenings, talking, drinking, eating tapas and being part of the crowd, and this is probably the most treasured part of their lifestyle. At weekends, youngsters will think nothing of staying out until 5am or 6am, dancing the night away. There is a high demand for good value-for-money, theme and lifestyle products: health, fashion shows, attending film festivals, etc.

Spaniards tend to travel with their families. About 62% of Spaniards traveling abroad do so with their families, another 32% as couples and 6% travel alone.

About 23% of outbound travelers make their reservations through travel agents and an estimated 31% take package tours. Spanish travelers are late planners. They do not plan far in advance when deciding about their vacation destination. At most, they will contact their travel agent a month before their intended departure date. (Also, most tour operators are late – compared with their European counterparts – in publishing their promotional catalogues. Many tour operators publish their summer packages in late April).

Spain's regions that generate most outbound travel are the metropolitan areas of Barcelona and Madrid, the Basque Country and Valencia

Online travel is the main area of e-commerce, in a country where only around 34% of the population are internet connected. The number of users is nevertheless rising, and major players in Spain such as Iberia and Sol Meliá, are building a significant online presence. Spain’s share of the online travel market in Europe is expected to grow from a current 3% to 5% by 2005. According to a recent study, 7.55% of active Internet users in Spain logged onto travel websites in December 2002. This was up from 6.51% in November 2002.

Travelers are increasingly using online agencies to book their own flights, tour packages, hotel rooms, and car rentals. Currently 24.3% of total online sales in Spain are transportation tickets, i.e., train, bus, and plane. Tourist packages account for 8.8% of online sales. As airlines make increasing use of internet to sell their own flights, the travel agencies view internet as a great tool to increase their sales of package-tours, hotel reservations and travel insurance services and as an advertising and customer service tool.

Spaniards enjoy up to four weeks of paid vacation every year. Standard practice is to take some days during Christmas and Easter and three weeks in the summer, mainly in the month of August. The considerable number of public holidays which creates ‘puentes’ (long weekends) means that there is a large and frequent movement of short break holidaymakers throughout the year, particularly at Easter, the beginning of May and early December. London, Paris, New York and cities such as Prague and Amsterdam are the most popular foreign choices at such times.

University holidays fall from mid-June until the first or second week in October. School holidays are approximately mid-June until the middle of September. There are normally two-week holidays at Christmas and Easter. As always, there are variations between the different regions.

Caring for the Spanish Traveler (www.tourismtrade.org.uk)

- Prepare print and/or signs in Spanish. It is often a source of annoyance that brochures for attractions or information signs in hotels are printed in Italian or Japanese, but not in Spanish. Please ensure that Spanish is included if you are producing foreign language material. Learn a few important and common Spanish phrases.
- Recognize Spanish eating habits. Spaniards prefer to take lunch quite late (starting at 2pm or 3pm) and similarly with dinner (starting at 10pm or even 11pm!). Also have plenty of bread and mineral water available.
- Remember Spain is a nation of smokers. The Spanish are probably Europe's greatest smokers. There are very few non-smoking areas in Spanish restaurants and bars. However, they are not the drinkers you might expect given their excellent and abundant wines.
- Provide en-suite bathrooms. Like most Europeans, the Spanish expect an en-suite bathroom, ideally with bidet. Tiled bathroom floors are certainly preferable to carpeted ones. Cleanliness is paramount!
- Provide local information and interest. The Spanish are interested in local color – markets, pubs, interesting excursions and shopping possibilities.
- The Spanish can be very demanding and will certainly not hesitate to complain if something is not to their satisfaction. Deal with any situation promptly and courteously. In Spain, all establishments have a complaint book (hoja de reclamaciones) on the premises and this fact is advertised to the customer.

Spain has the second-highest rate of television viewing in the European Union (after Britain). Over 90% of the population watches an average 247 minutes of television daily. However, daily newspaper readership at 41% is low compared with the European average, with general interest, Sunday supplements and gossip magazines enjoying the highest circulation figures. In terms of special interest media the market is still very fragmented.

Key Newspapers
El País (2,098,000)
El Mundo (1,251,000)
El Periódico (885,000)
ABC (876,000)
La Vanguardia (765,000).

Doing Business with the Spaniards (www.tourismtrade.org.uk)
There are approximately 3,000 tour operators and travel agencies with 4,500 sales outlets in Spain. 40% of these are in Madrid and Barcelona. Additionally there are an estimated 250 hybrid wholesalers/retailers and 130 tour operators.

It is important to know the differences between tour operators and travel agencies, all of whom are controlled, in terms of the granting of licenses, by regional government. There are three types of license

Mayoristas – These are wholesalers who organize all types of tourism services and packages. They can only sell through travel agencies (minoristas). There are approximately 75 mayoristas who have another 70 branches (delegaciones) throughout the country. Into this category would fall operators such as Tiempo Libre/Mundi Color, Frantour/ LondonNow, Club de Vacaciones and Iberojet.

Minoristas – There are about 2,000 retail agencies of which 1,400 have branches throughout Spain, e.g. Viajes Halcón; Viajes Iberia. They can only sell to the public and not to other retailers.

Mayoristas/minoristas – Can act as both operator and retailer. There are around 200 businesses falling into this category, with another 1,300 branches. Viajes El Corte Inglés and Viajes Marsans are examples.

Hypermarket chain stores are a new phenomena in the travel agency sector. Currently, three major chains (El Corte Ingles, Carrefour and Eroski) have travel agencies in their stores. Together they have near to 200 outlets.

Mid-September to early December is the main planning period for summer and all-year programs. Other good times are: mid-January to two to three weeks before Easter; two weeks after Easter until June. Bad times are: mid-July to mid- September – for all sorts of reasons, but principally there will not be many people to see! Also, two weeks before and after Easter and the week before each ‘puente’. Later in the week is generally better than earlier.

For the travel trade, sales through the internet grew by 25% in 2003, with this now becoming one of the major objectives of the tour operators, increased with a desire to sell direct. Spanish travel trade is moving away from quantity to quality. Retail trade struggles because of oversupply, leading to specializations, and consolidations in programs. The travel trade is still of crucial importance with recent estimates of approximately 45% of tourism product being booked through an agent/operator.

- Work on personal relationships. That is how business is built up in Spain. Without personal contact it is hard to win business. Be flexible. And remember that talking is important – the Spanish love to talk and are among the readiest of Europeans to express their views forthrightly.
- Speak some Spanish. English is becoming more common, but is still much less used and understood than in Northern Europe and Scandinavia.
- Have Spanish language brochures/information – a must if you want to build up Spanish business. Brochures in English reduce your chances of success. In the worst case, have a Spanish cover letter or introduction.
- Be sensitive to nationalism. The Spanish are rather proud of their regional strengths and differences, especially in Cataluña where some say they would rather speak English than Castilian.

Spain has a large number of travel fairs. These include:

- EIBTM, Barcelona
- FITUR, Madrid
- Salo Del Turisme, Barcelona
- Turismur, Murcia
- Feria De Turismo, Valencia
- INTUR - Feria Del Turismo De Interior, Valladolid
- Feria De Turismo Rural, Madrid
- Feria De Turismo, Asturias
- Tierra Adentro Turismo Interior, Andalucia
- Turismo & Gastronomia, Vigo
- Turisport, Galicia

- Turismo Rural, Barcelona
- Semana Internacional De Turismo De Interior, Jaen
- Expovacaiones, Bilbao

Full details of these fairs can be obtained from
http://www.1world2travel.com/article.php?articleID=1050

Switzerland

Adapted from information available from VisitBritain (www.traveltrade.org.uk), Tourism British Columbia (www.tourismbc.com), Tourism Australia (www.tourismaustralia.com), Industry Canada (http://strategis.ic.gc.ca/engdoc/main.html), European Travel Commission (www.etc-corporate.org), Tourism Marketing Information System (www.tourmis.info) and the World Tourism Organization (www.world-tourism.org). Additional information from 'Changes in Leisure Time: The Impact on Tourism', 1999, World Tourism Organization, and national statistical offices.

In 2003 Swiss resident departures totaled 11 million, down 2.4% on the previous year. The top ten destinations in 1996 were France, Spain, Italy, Germany, Austria, UK, USA, Greece, Hungary and the Netherlands. There has been little change in these destinations or their order since.

July to September inclusive is the peak holiday period for Swiss travelers, accounting for over 40% of all outbound trips. Over 35% of the population takes both a winter and a summer holiday with 86% of all their foreign trips being confined to Europe.

Seasonal spread from the Swiss market is very good: Jan-March 19%, April-June 28%, July-Sept 26%, Oct-Dec 26% proving the market offers year round seasonal opportunities.

The Swiss have one of the highest travel intensities and are among the highest travel spenders in outbound travel markets. In terms of visitor spend, it should be noted that Switzerland produces more spend than Belgium and all the individual Scandinavian countries.

Suitable products for this market are products which offer perceived 'value-for-money' whether at the top of the price scale or lower down. Generally speaking, with a high disposable spend, the Swiss will opt for the hotel as opposed to the Guest House, B&B or self-catering option. FlyDrive products rather than coach travel are more widespread. Country House or Castle accommodation is also a popular option for part or all of the stay. The Swiss visitor will take time to pursue their specialist interest such as garden, whisky, golf or other active pursuit and will seek the experiential as well as the exclusive.

Switzerland's land-locked status has contributed to the Swiss love of traveling. However, with such a heterogeneous outbound market, it is difficult to portray a typical Swiss visitor. The most frequently traveled are those from the major urban centers. The German Swiss are generally multi-lingual but have little in common with either Germans or the French-speaking Swiss, the 'Suisses-Romands'. The Romands are slightly less linguistically adept and yet do not mix well with their French neighbors – as some tour operators have found to their cost when trying to package tour programs for the two markets combined. They are, nevertheless, keen travelers.

Foreign travel intensity, or the level of trip-taking as a factor of age and socio-economic level, varies much less widely for the Swiss market than for most other European countries. 35-54 year olds are the most enthusiastic travelers abroad. The most significant market growth has come from the 25 to 34 year group. In each of the last five years the segment has consistently grown, from 23% to 30% in visits and from 18% to 28% in terms of spend. Given that 50% of all Internet users in Switzerland are in this age bracket, on-line promotion is key in this market.

The Swiss tend to travel individually rather than in groups and are still among Europe's most independent travelers – the share of independently organized holidays is currently around 80%. 36% of package holiday tourists book their holiday more than two months in advance, while 44% between four and eight weeks in advance.

A recent study shows that approximately 46% of travelers still rely on tour operator brochures as the main source of information, followed by word of mouth. The Internet is the third most popular source of information being used by 21% of travelers surveyed.

The city-break market has been one of the fastest growth sectors for Swiss tour operators in the last few years. Short breaks have been proven to generate at least 1.5 times greater expenditure per night than longer trips, explaining the fact that spending abroad has continued to increase, despite the fact that the average length of stay has fallen from 13 to 7 days.

Switzerland has the highest internet penetration in the Europe Central region, and is indeed among the highest in the world with 66% of the Swiss population having Internet access. 58% use the Internet for travel planning. However, 40% of trips are still booked through travel agents, with the travel industry focusing on a few big players. One study suggested that about one third of the people surveyed had actually made a travel booking online. These purchases where generally flights or accommodation, long haul destinations were rarely booked online as a whole travel package.

The internet is an increasing source of information for travel planning and booking, although there is still a reluctance to give personal details such as credit card numbers over the web. Consequently, travel web portals and online booking systems are relatively under-developed, except for those operated by the airlines, both budget and full-service.

The Swiss have 20 days of annual leave which are supplemented by 8 public holidays. School holidays are taken as follows:

April	3 weeks
July/August	5 weeks
September/October	3 weeks
December/January	2 weeks
February/March	2 weeks

Caring for the Swiss Traveler (www.tourismtrade.org.uk)

- Switzerland is an extremely mature travel market, almost spoiled for choice of overseas destination, with high expectations and discerning taste.
- The majority of Swiss (particularly those under 50 and from the German-speaking part of Switzerland) speak very good English.
- Recognize that Swiss are not Germans (nor French, nor Italians!).

- To a certain extent, and perhaps subconsciously because this is what they are used to in their home country, the Swiss brings with him/herself an expectation of a clean, reliable and well functioning environment.
- Very detailed information for all activities planned is very important for visitors. Usually they collect a lot of information before their visit and bring several guidebooks along. But be prepared for even more detailed questions about the area, events or suggestions for itineraries or places to visit.
- They can be very demanding and they are fast to complain if they are unhappy with a service or product. Don't be shocked by their directness! If you give them the feeling that you take them seriously and if you try to deal with any problems promptly, they will be very grateful.

The Swiss have access to a much larger range of newspapers and magazines than any other European country. 2,560 titles are available on a regular basis and it is here that they are most likely to seek offers for travel, leisure pursuits and services in general.

For German Speaking Switzerland

Neue Zürcher Zeitung/ NZZ am Sonntag	Daily/ Sunday	Circulation 159,000/ 90,000
Tages Anzeiger/ Sonntags Zeitung	Daily/ Sunday	Circulation 236,000/ 202,000
Blick/ SonntagsBlick	Daily / Sunday	Circulation 275,000/ 300,000
20 Minuten	Daily Mon-Fri	Circulation 369,000

For French Speaking Switzerland

Tribune de Geneve	Daily	Circulation 73,000
Le Matin	Daily/Sunday	Circulation 69,000/ 207,000
24 heures	Daily	Circulation 86,000

For Italian Speaking Switzerland

Corriere del Ticino	Daily	Circulation 39,000
Giornale del Popolo	Daily	Circulation 21,000
Il Caffè	Sunday	Circulation 51,000

Travel Trade Press

- Schweizer Touristik published weekly in German only.
- Travel Inside published weekly in separate German and French editions

Doing Business with the Swiss (www.tourismtrade.org.uk)

There are over 527 tour operators and approximately 2,264 retail agents in Switzerland.

The tour operator market has undergone the same kind of shake-up as was experienced in other European countries during the second half of the 1980s and 1990s and there has been a wave of concentration among tour operators. Although a number of small specialist operators have been successful in their specific niche markets, the large generalist operators have increased market share at the expense of small and medium-sized players.

According to the Swiss national travel agents' association (SRV), the top 10 tour operators in Switzerland probably account for 70% of the total market. Most of the leading groups are both tour operators and travel agents and it is difficult to distinguish between their operations.

Given the relatively small size of the Swiss market, it is perhaps surprising that Swiss tour operators themselves have not been prey to more foreign takeovers. Germany's TUI has now entered the market, merging with Imholz and Vögele to form the TUI Suisse Ltd, the third largest operator after Kuoni and Hotelplan. However, on the whole, Switzerland is the reserve of Swiss companies, and this is the exception to the general rule.

There are approximately 2,264 travel agencies in Switzerland, the majority of which only sell operators programmes and concentrate on products from the major operators. Some also arrange ad-hoc group travel.

Topical at present is a proposed 'consultancy fee' to be introduced by retail travel agents for their services, redeemable against a confirmed booking to avoid customers solely using the travel agent for information then booking direct or via the internet.

- It is important to consider the timing of your visit. The large tour operators research their main season programs between April and June. These programs are costed between July and September and launched in November/December. The smaller specialist operators tend to research their programs slightly later, July/September for a launch in January/February. Off-season/city-break operators research their winter programs in March/April, for launching in July/August.
- Unsolicited mail is particularly frowned upon in Switzerland and in the country's main cities a large proportion of residents have a sticker on their letter box asking the postman not to leave them any non addressed mail.
- Provide the operators you are visiting with a comprehensive information pack (preferably in German/French/Italian) about your product.

FESPO, Zurich is the largest holiday show in Switzerland for the sports and leisure market. Attached to the show is an event called "World of Golf", a hall dedicated to golf. The total number of visitors to the fair in 2004 was 70,000.

Vacances, Sports et Loisirs, Geneva is the largest exhibition for the Swiss French market and dedicated to holidays, sport and good living. The number of visitors to the fair in 2004 was over 25,000 with 200 exhibitors attending.

The annual Travel Trade Workshop (TTW) in Montreux is the main Swiss trade show for outgoing travel. It is often described as the "smaller sister" of ITB. TTW features 1,000 exhibitors from 100 countries.

Other fairs are held in the cities of St. Gallen, Bern, Basel and Geneva. Further information can be obtained from
http://www.1world2travel.com/article.php?articleID=1050

United Kingdom

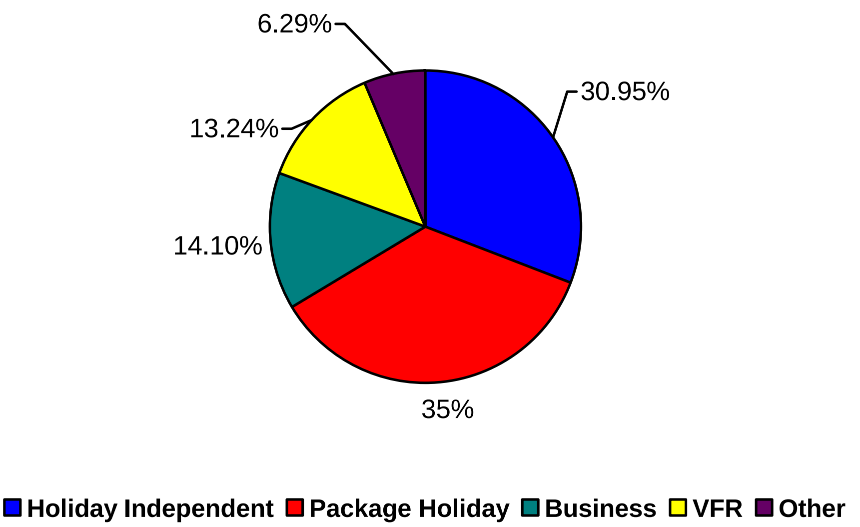
Adapted from information available from VisitBritain (www.traveltrade.org.uk), Tourism British Columbia (www.tourismbc.com), Tourism Australia (www.tourismaustralia.com), Industry Canada (http://strategis.ic.gc.ca/engdoc/main.html), European Travel Commission (www.etc-corporate.org), Tourism Marketing Information System (www.tourmis.info), Association of British Travel Agents (www.abta.com) and the World Tourism Organization (www.world-tourism.org). Additional information from 'Changes in Leisure Time: The Impact on Tourism', 1999, World Tourism Organization, Madrid; 'Current Developments in the UK Outbound Tourism Industry', IRN Research (http://www.irn-research.com/downloads/IRNSampleTravelMarket.pdf) and national statistical offices.

2001 saw 58 million foreign trips from the UK. This is an increase of 2.5% on the previous year. In terms of holiday travelers, the most popular destinations in 2002 were Spain, France, the Canary Islands, USA, Italy, Ireland, Greece, the Netherlands, Portugal, Cyprus, Belgium, Austria, Germany and Switzerland.

ABTA's 2002 Holiday Survey found holidays to the sun are by far the most commonly chosen type of package holiday among the British. Over 70% of package holidaymakers said they chose a summer sun and beach holiday in the last year and there has been little change in the choice of holiday destinations visited. Spain is still the most popular choice. The proportion of those who have visited Greece and France have stayed relatively consistent since 2000, while there is a suggestion that customer figures for Turkey haven't quite returned to pre 1999 numbers.

Holidays are the most import segment of the UK outbound travel market with over 66% of visits in 2001. Growth in holidays is faster than any other purpose of travel

Figure 34. Purpose of Visit for UK Outbound Travelers



Besides beach holidays, 15% of respondents said that they had recently (in the last twelve months) been on a winter sun holiday and 8% said they have taken activity holidays, such as water sports, cycling and skiing in the last 12 months. 7% have gone traveling to explore 'unusual' destinations and 6% said they had been cruising.

Despite the increased penetration of low cost carriers and the ease of booking directly with transport and accommodation providers, inclusive or package holidays have increased their share of the outbound holiday market between 1997 and 2001 although there is no substantial difference.

Figure 35. UK residents' holiday visits abroad by type, January- July 2001, 2002

Visits (000s)	2001	2002
Made own arrangements	42.7%	41.2%
Used travel agent for package	25.7%	24.8%
Used travel agent for accommodation only	3.2%	3.5%
Used travel agent for flight only	6.0%	6.0%
Used travel agent for other arrangements	4.6%	4.2%
Used tour operator to book package holiday	12.4%	12.8%
Used tour operator to book flight only	2.0%	1.8%
On the Internet	3.5%	5.5%
Total	100.0%	100.0%

Although package holidays of four nights and more in Europe are still the most popular format for a holiday (42%), 21% of travelers said they had been on an independently arranged holiday in Europe (4+ nights) in the last year, and 21% had been on a short break. 14% of respondents also said they had arranged their own long haul holiday (outside Europe) in the last 12 months.

The holiday trends statement from ABTA has indicated that 2002 had a later booking period than previous years. However, for holidays overall, the booking period for the last holiday (domestic and overseas) has not changed significantly in the last three years.

Figure 36. UK Holiday Booking Lead Time 2000 – 2002

%	2000	2001	2002
Under two weeks	14.7%	15.8%	15.9%
About 1 month	18.1%	17.5%	17.8%
2 Months	13.0%	13.0%	12.7%
3 Months	10.4%	10.7%	11.1%
4 Months	7.2%	7.1%	7.0%
5 Months	6.4%	5.7%	6.2%
6 or 7 Months	11.0%	10.4%	10.5%
8 or 9 Months	5.4%	5.4%	4.9%
10 Months or over	7.6%	8.7%	8.7%
No booking required	6.3%	5.9%	5.1%
Total	100.0%	100.0%	100.0%

The UK outbound market has many peculiarities that make it different from many other markets. These peculiarities include:

- UK is an Island therefore it is more difficult to cross borders than continental countries.
- Since UK left the ERM in 1993, the strength of Sterling has increased making the relative cost of overseas holidays fall

- English is widely spoken in many countries, especially tourist destination, which makes holidaying abroad by UK nationals relatively easy.
- The UK has a high level of international trading relative to its GDP and combined with its Commonwealth and British Empire contacts, there are many associations between British people and many countries in the world.
- The UK has a relatively wet and cloudy climate making the appeal of summer sun holidays high.
- The UK has a well-developed tour operating industry based on one of the most liberal and competitive airline sectors, which has been entirely in the private sector since 1987.

There is an interesting correlation in the United Kingdom between travel bookings, particularly short-haul (1-3 nights) holiday bookings and the state of the economy. Even when the economy is perceived as poor, UK residents stalwartly continue to take at least one long vacation a year. However, when the economy has been on the upswing for a long enough time to create the consumer "feel good factor," travel agencies report a parallel upswing in overall vacation bookings and an even greater increase in additional short-haul mini vacations.

There are a number of interesting trends in the UK Tourism industry:

Cruising
The cruise market in Britain has grown exponentially in the last few years to become second only to the United States. The travel industry is attempting to widen the market still further to include families and younger passengers. The Caribbean and the Mediterranean are already firm favorites for those flying to their holiday destination to join their cruise. Flycruises to colder climes have also recently risen in popularity and particularly appeal to seasoned travelers who want to experience something completely different. For these clients, wildlife is the attraction and sightings of polar bears, penguins, whales and other rare species are often promised. Scandinavia and Alaska have already become popular and with widespread coverage of the anniversary of Ernest Shackleton's expeditions, Antarctica has become the new cutting edge destination. River cruising in Europe allows the opportunity to travel from city to city and leisurely view the scenery. Germany leads the market here, and this type of sight seeing particularly appeals to the more mature market.

Long Haul Holidays
Long haul holidays have remained as popular as they have ever been. Sales of round the world tickets have increased and because destinations such as Australia, New Zealand, South Africa and Thailand have not been affected by the recent terrorist problems, their popularity has been maintained. Despite this, the US remains the number one long haul destination, while Australia is perceived by many to be 'the dream destination'. Numbers to Mexico and to the Caribbean have risen dramatically in recent years, reflecting the increased choice in charter flights, competitive prices and the British holidaymaker taking advantage of good value all-inclusive resorts. The Far East is popular, not only with independent travelers, but also with those on inclusive tours. Thailand is a favorite with British holidaymakers, as are Malaysia, Singapore and, increasingly, Vietnam. Kenya continues to attract those looking for a safari experience while South Africa is proving popular as a

winter sun destination. Dubai has become a particular favorite for those looking for fine beaches and duty-free shopping.

Short Breaks
Short breaks have increased rapidly over the last few years and in 2002 5.6 million short break holidays were taken. They have also increased their market share. In 1997 11.7% of all holidays were short breaks, whereas now 15% of holidays will be short break holidays and this growth looks likely to increase further in the coming years. The reasons for rapid growth in this sector are numerous. The pattern of holiday taking has changed with people taking more than one short break a year rather than just one two week break in the summer. The increase in numbers of couples with no children has also contributed to this trend as has the number of airlines who offer short-haul, non-flexible (but very cheap) flights to European cities. Paris, Amsterdam, Bruges and Rome were this year's top four destinations, and while Paris lost some ground to other French cities such as Marseilles, Bruges became more popular aided by the award of European City of Culture. But increasingly Eastern European destinations have seen a surge in demand. Prague for instance saw a 121% increase in popularity before the floods in August 2002, while Warsaw, Moscow and St Petersburg are all emerging as attractive destinations along with Cairo and Dubai.

Winter Holidays
Snow sports play a vital part in the winter holiday market. Around 1.5 million people take a skiing holiday each year, many now opting to try snowboarding as well. The most popular destinations for skiing are resorts in France, Austria and Italy. Many people are choosing to travel further a field taking advantage of the strong pound and availability of charter flights. Canada and the United States have seen a massive rise in popularity over the past 10 years. The most popular winter sun destinations are Tenerife and the other Canary Islands, but the North African countries of Tunisia, Morocco and Egypt do offer good value alternatives, while the Caribbean, Florida, Mexico, Australia and South Africa are all beginning to offer more affordable winter sun experiences.

No-Frills Airlines
In 2002 the traditional airlines tackled the challenge of the no-frills airlines head on. British Airways launched Future Size and Shape, which meant that customers could book lower cost flights from its new website. Meanwhile BMI launched bmibaby, (which has now taken over all BMI routes out of East Midlands airport); Mytravel launched MyTravelLite from Birmingham airport and British European launched Flybe. With expansion of the no-frills airlines has come increased numbers of complaints as customers realize that they do not receive the same level of customer service from budget airlines. However, there are no signs that no-frills airlines will stop growing especially because a European city break is not the luxury item it used to be. Cities such as Bologna and Naples in Italy, Copenhagen in Denmark, Zurich in Switzerland, Bordeaux and Lyon in France and Berlin in Germany are all on offer and the range is expanding.

Weddings and Honeymoons
Getting married in an exotic, yet romantic setting at a fraction of the price of a UK wedding is all that is needed to persuade 30,000 couples a year to get married abroad. The number of people attending wedding parties overseas has also grown to

about six and Mediterranean destinations such as Cyprus and Greece have also risen in popularity. The top destinations for weddings abroad are the Caribbean, Sri Lanka, Mauritius and Florida. Long haul destinations for honeymoons remain enticing with Mauritius, Seychelles, the Greek Islands, Thailand, Australia, the Caribbean and the Bahamas proving to be favorites

64% of the UK population is online. The UK remained the largest online travel market in Europe in 2004, accounting for 36% of the European online travel market, according to a study. UK consumers are more likely to book a mini break to a European city online (88%) than a long-haul (16%) or adventure holiday (31%). A 2004 Holiday Survey conducted by MORI for ABTA has found that the Internet is now firmly established as a booking tool for holidays. One in five (19%) holidaymakers now books their package holiday online - six times the number that were doing so in the year 2000. The survey shows that:

- Price is a major determining factor for why people use the web. But 70% said they would be prepared to return to travel agents if they provided better deals.
- Agents continue to be more trusted than the Internet, with 75% of package holidaymakers saying they used agents as a source of information against 57% who use the web. However, 71% of holidaymakers with broadband access said they were inclined to browse travel sites more often.

British vacations are traditionally planned well in advance, with January typically being the highest booking month for summer holidays. The British school year is long, with most school children being in school until mid-July, returning in early September. Demand for vacation travel tends to peak in the last half of July and the month of August, when prices escalate accordingly. In addition, there are school "term breaks" of 1 to 2 weeks in October and again in March or April depending on the location of the school, creating a surge in vacation demand. School holidays are as follows:

December/January	2 weeks
February/March	1 week
Easter	2 weeks
May/June	1 week
July-September	5 or 6 weeks
October	1 week

UK workers typically have more generous vacation periods and different attitudes toward vacations than do American workers. In general, the British consider vacations to be a right, not a privilege. Like other Europeans, they regard vacations as a necessary and very important part of life, rather than as a luxury. Workers and management alike share this mentality and will give up their annual vacation only in the most dire of economic circumstances. Annual leave is 20 days.

Media coverage is even more valuable than advertising. The UK has 12 highly competitive major daily newspapers, each targeting a specific demographic audience, and one free paper, Metro, which reaches a large daily audience in major cities. All but one, The Evening Standard, are morning papers:

- The Daily Mail
- The Daily Sport
- The Daily Telegraph

- The Evening Standard
- The Express
- The Financial Times
- The Guardian
- The Independent
- Metro
- The Mirror
- The Times
- The Star
- The Sun

Regional newspapers also command good market share and should not be overlooked in any media campaign. The Travel Trade Gazette and Travel Weekly are two of the most widely read industry publications in the British travel trade.

There are several popular travel consumer magazines including Conde Nast Traveler, Wanderlust and the Sunday Times Travel Magazine.

Doing Business with the Brits (www.tourismtrade.org.uk)

Tour operators and travel agents are the key players in the UK travel industry and very influential in the consumer's decision-making process. The British still tend to buy package tours put together and advertised in catalogs and brochures by tour operators. Travel agents use these catalogs and brochures to help clients choose where to go and to decide major details of their vacation. Tour operators and travel agents therefore are pivotal in the UK travel industry. *If a product or destination is not in tour operator's offerings, many travel agents will not – or cannot – sell it.* The focus of any effort to establish a destination, attraction, or travel product in the UK market must be product placement with tour operators and travel agent awareness and training. Direct to consumer marketing should be a last (never a first) step, and only undertaken in support of some or all of the activities below.

The trend towards online booking in all sectors of the travel and tourism industry continues to gain momentum. Online travel companies without a background in retail travel continue to expand. Key companies are Ebookers, Expedia and Travelocity.

The UK has around 6,700 travel agencies. Vertical integration, growing concentration and globalization continue to be important trends in the travel retail sector. There is a growing influence of pan-European and global travel groups in the UK market. Two of the biggest operators in the UK retail sector, Thomas Cook and Thomson Travel, are now owned by German companies Thomas Cook AG and TUI AG, respectively. The number of travel retail outlets declined from 2001 onwards, despite the increasing amount of overseas travel by UK residents, reflecting the difficult economic and political climate. Travel agencies in particular are facing a growing threat from direct bookings through teletext and the Internet. Indeed, the major travel agencies all invested in developing direct selling channels, such as call centers, teletext and Internet sites. Expansion in retail outlets is likely to slow further in the future as direct distribution channels continue to grow.

Another factor contributing to the decline in the number of outlets is growing consolidation, as major groups bought smaller independent chains. Smaller travel agents struggled in the increasingly competitive environment. Consequently, the number of outlets per chain increased significantly.

Travel agents play an essential role in UK consumers' decisions about all aspects of their vacations, from where to go to what to do. More than 7,000 travel agencies are members of the Association of British Travel Agents (ABTA), the key accrediting organization in the UK. After a product is in the tour operator catalogs, the recommended next step for tourism providers is to launch ongoing product promotion and travel agent education programs. Mailings are a productive and a low-cost way of reaching travel agents.

Approximately 90% of all outbound package holidays are sold through official ABTA travel agents. The growth of low cost no frills airlines is switching booking traffic away from travel agents overall but most of the large tour operators channel many of their tout operating packages through their associated travel agent outlets or direct booking call centers.

There are more than 1,200 tour operators in the UK, many of which specialize in themed or regional products. Many of the specialist operators are members of the Association of Independent Tour Operators (AITO).

It can be a costly error to assume that because English is a shared language, materials developed for the US market are automatically suitable for use in the UK. They may be, but careful vetting by a UK representative, PR firm, or advertising agency should be undertaken before making final decisions. Many words have subtly or radically different meanings in British and American English, which can lead to confusion or misunderstanding. For example, "cheap" in American parlance is often used to mean "inexpensive." To the British, however, "cheap" means "shoddy." While "homely" to American means "ugly," for the British it has a very positive meaning of "homelike." "Mean" in American English means "unkind," while in Britain it means "tight with money." Many words are also spelled differently in the UK than in the US, and grammatical usage varies. While the British are very familiar with American English from television and movies, they appreciate being addressed in a manner that they do not need to translate to understand.

The UK has a number of consumer and trade fairs throughout the year. The largest and most significant trade fair is the World Travel Market, held annually in London.

WTM is an excellent, truly international forum for reaching the industry in the UK and other parts of Europe. Exhibiting at WTM allows not only market exposure, but also a chance to observe more experienced exhibitors' marketing strategy and competitors' offerings.

A smaller trade fair is the British Travel Trade Fair held in Birmingham.

Consumer Fairs include:

- Tribes Travel Fair UK
- Holiday Travel Show Cardiff
- Holiday Travel Show Glasgow
- Holiday Travel Show Manchester
- Interhol Cheltenham
- Interhol Bournemouth
- Birmingham Boat Caravan Outdoor Show
- Daily Telegraph Holiday Destinations London
- Daily Telegraph Holiday Destinations Birmingham
- International Golf Travel Market

- Visit Scotland Expo
- Vive La France London
- International Golf Travel Market UK
- Holiday World Experience-Dublin

Further details on these fairs can be obtained from
http://www.1world2travel.com/article.php?articleID=1050