Update on Market Trends in the Mediterranean

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IPK’s Mega Mediterranean Study

- In the early 1970’s, IPK International conducted a study concerning all Mediterranean destinations.
- Within this scope, also the future demand potential of Mediterranean Tourism has been quantified.
- As well as a Customer Survey was carried out in all major Mediterranean destinations.
High Demand Destination Potentials

- Already at that time, the country with the highest customer potential had been Spain

- Other European destinations like Italy and France had good customer potentials, too
Who had the highest Growth Potential

In 1974 the largest gap between the number of current and the number of future potential visitors showed:

- **Turkey** has fully used it’s chances,
- **Greece** still does not exhaust it’s potential
- And **Egypt** gets thrown back again and again
343 million international trips to destination Mediterranean in 2014

- With some 32% market share the Mediterranean is the biggest travel destination of the world

- The market share decreased over the last 7 years from 38% to 32% (1% share lost per year)

- Main reasons are faster growing emerging markets outside of Europe

- For whom the Mediterranean is a long-haul destination

- But the Mediterranean has also some internal problems
Results of the Customer Survey 1974

In 1974 the destination with the highest customer satisfaction was Beirut. Only weeks after, the first Civil War in Lebanon broke out and destroyed the Number 1.

Today, Lebanon is only a shadow of its former self.
Today the „Mediterranean“ is divided

While the European Mediterranean can do business as usual…

…and the other part doesn’t ease

And the amenities of those countries can’t unfold…
Results of IPK’s World Travel Monitor

concerning the travels of the World Population to the Mediterranean
Some facts about the World Travel Monitor

- Since 1988 IPK annually conducts worldwide
- 500,000 interviews concerning Travel Behavior
- In 63 source markets of World Tourism
- Covering 90% of Tourism Outbound Demand worldwide
Global Inbound to Mediterranean

Purpose of Trip 2014

- Holidays: 80%
- Business: 10%
- Other Leisure: 10%

Source: World Travel Monitor® 2014, IPK International
Global Inbound to Mediterranean
Winter Season is Outperforming 2014

- Winter 38%
- Summer 62%
- +9% p.a.
- +0.5% p.a.

Source: World Travel Monitor® 2014, IPK International
Global Inbound to Mediterranean
Length of Stay is Diversifying 2014


Source: World Travel Monitor® 2014, IPK International
Global Inbound to Mediterranean

High Spenders are the Boomers

- 32% Less than 500 €
- 34% 500 - 999€
- 23% 1.000 - 1.999 €
- 11% 2.000€ and more

-6% p.a.  +4% p.a.  +6% p.a.  +11% p.a.

- Spending per night: 112 Euro
- Spending per trip: 998 Euro

Source: World Travel Monitor® 2014, IPK International
Global Inbound to Mediterranean
Mice Travel is Outperforming 2014

MICE 60%  +9% p.a.

Traditional 40%  -1% p.a.

Source: World Travel Monitor® 2014, IPK International
Global Inbound to Mediterranean Leisure Travel 2014

- Purely Holiday: 76%
- Other Leisure*: 24%
- VFR: 1 million trips more per year, also as result of financial crisis, travel for health reasons, religious travel, travel for studies and language learning

Source: World Travel Monitor® 2014, IPK International
Global Inbound to Mediterranean
Type of Holiday 2014

- Sun & Beach 46%
- Touring Holiday 16%
- City Holidays 15%
- Others 15%
- Countryside Recreation 4%
- Mountain Holidays 4%

Source: World Travel Monitor® 2014, IPK International
Global Inbound to Mediterranean

City Trips are the Growth Driver

Outbound Holiday Trips 2009-2014
(2009 = Index 100)

- City Holiday: +72%
- Sun&Beach: +31%
- Touring: +28%
- Countryside: +1%
- Total Holiday: +30%

Source: World Travel Monitor® 2014, IPK International
Global Inbound to Mediterranean
Information Sources Used 2014

Source: World Travel Monitor® 2014, IPK International
Global Inbound to Mediterranean
Trend by None Internet Information Sources

Source: World Travel Monitor® 2014, IPK International
Global Inbound to Mediterranean

Is Traditional Travel Trade Out?

Source: World Travel Monitor® 2014, IPK International
Global Inbound to Mediterranean

Booking Periods Have Shortened

- Up to 1 month: 51% (+7%)
- 2 to 3 months: 28% (+7%)
- 4 to 6 months: 17% (±0%)
- 7 to 9 months: 3% (-2%)
- 10 months and more: 1% (-2%)

Source: World Travel Monitor® 2014, IPK International
Global Inbound to Mediterranean
Accommodation Choice Diversifies

Hotel 60%
Para-Accommodation* 40%
Para-Accommodation paid for 24%
Para-Accommodation not paid for 16%

Upper + 5% p.a.
Middle + 2% p.a.
Budget -8% p.a.
Para-Accommodation + 8% p.a.

*Others: VFR, bed & breakfast; tent/caravan; ship/boat/cruise/yacht; youth hostel/family hostel; holiday club; pension …

Source: World Travel Monitor® 2014, IPK International
My conclusion

- The Mediterranean remains one of the most attractive destinations in the world
- The region has managed to get its cake from newcomer markets in Asia and Latin America
- More attention should be given to the changed information & booking behavior of digital out-bound travelers
However

- Not all destination marketers from the Mediterranean Region have arrived in the 21st century

- National and regional marketing efforts are quiet often out of date and marketing money does not arrive at the market place

- In many Mediterranean destinations also market intelligence is limping behind other global destinations

- In times of increasing global competition this can become very dangerous
Thank you!

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