

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

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



Today, Lebanon is only a shadow of it's former self

Today the „Mediterranean“ is divided

While the European Mediterranean can do business as usual...



...the other part doesn't ease

And the amenities of those countries can't unfold...

Results of IPK's World Travel Monitor



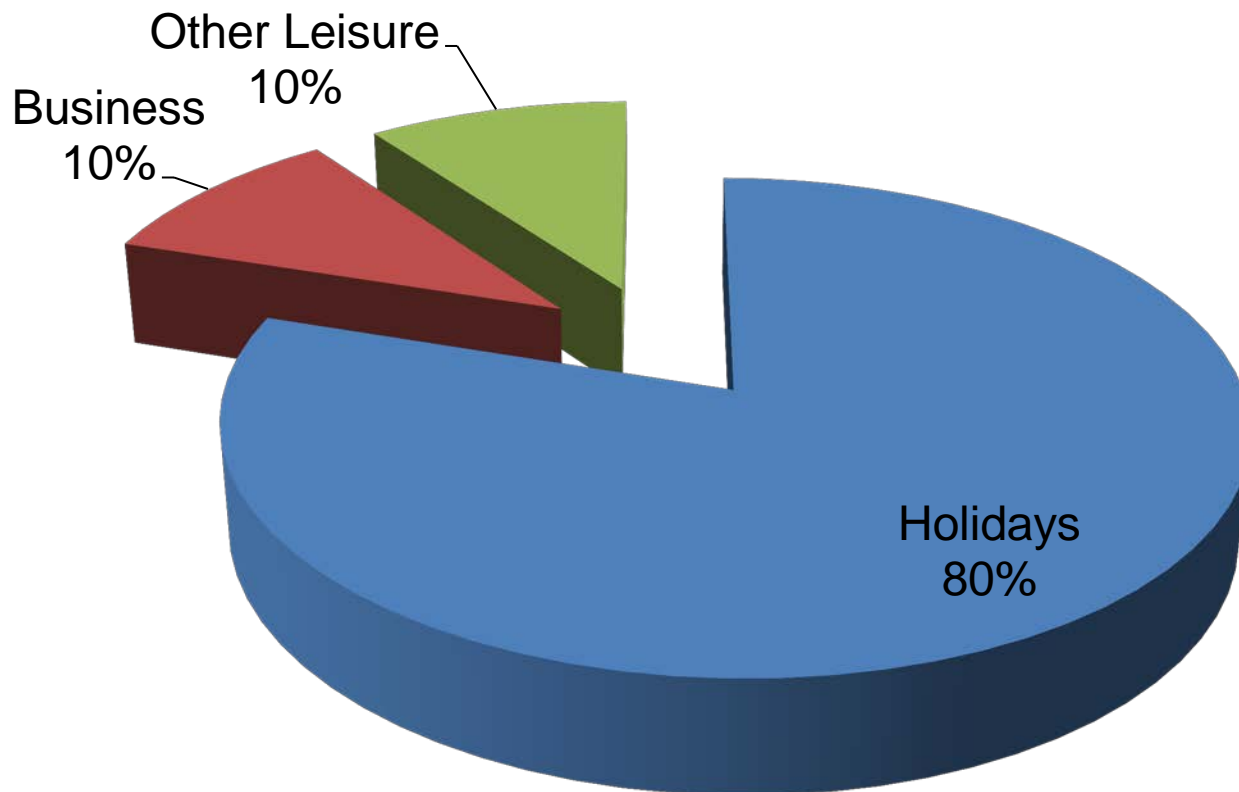
concerning the travels of the World Population to
the Mediterranean

Some facts about the World Travel Monitor



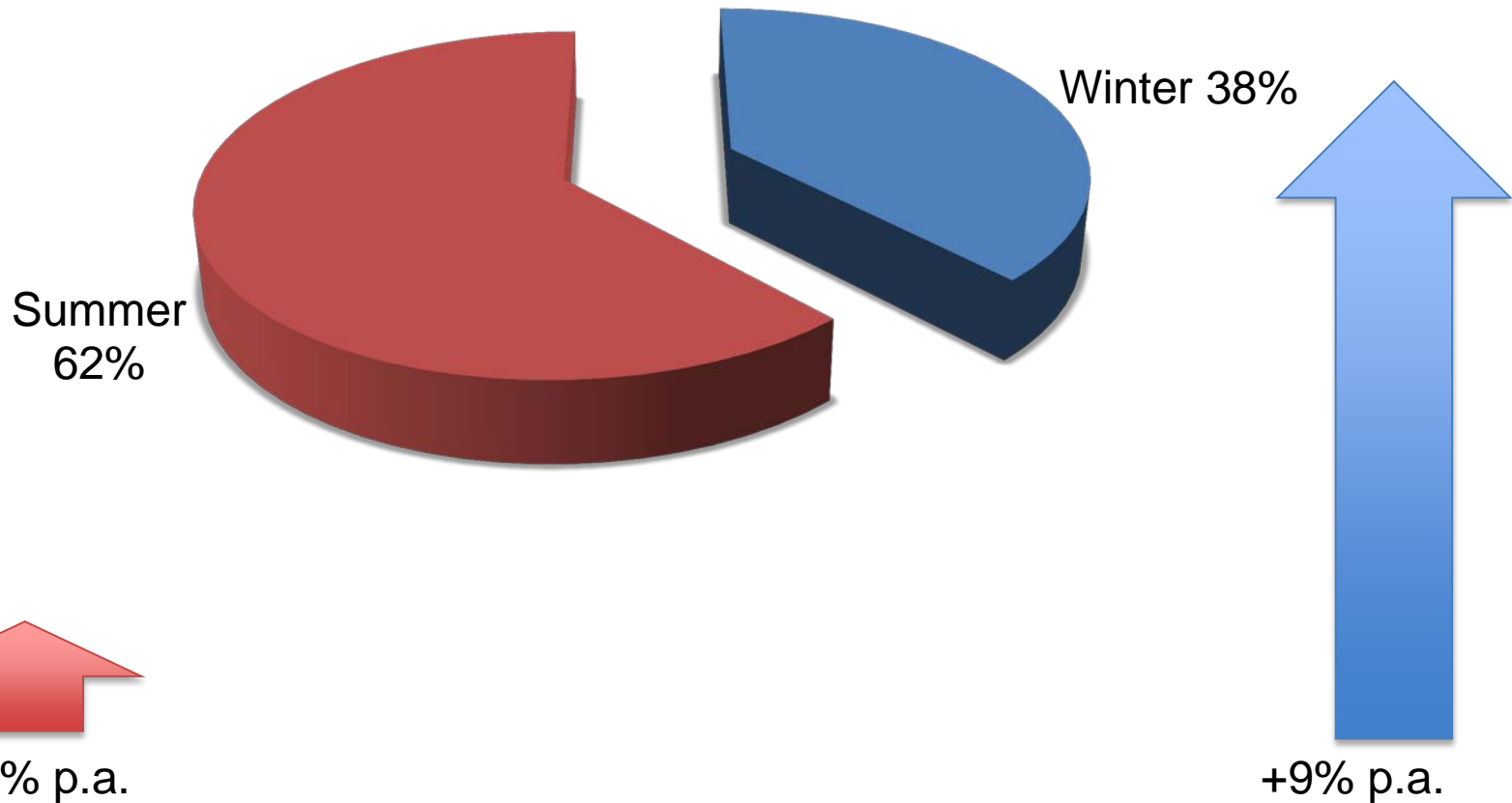
- Since 1988 IPK annually conducts worldwide
- 500,000 interviews concerning Travel Behavior
- In 63 source markets of World Tourism
- Covering 90% of Tourism Outbound Demand worldwide

Global Inbound to Mediterranean Purpose of Trip 2014



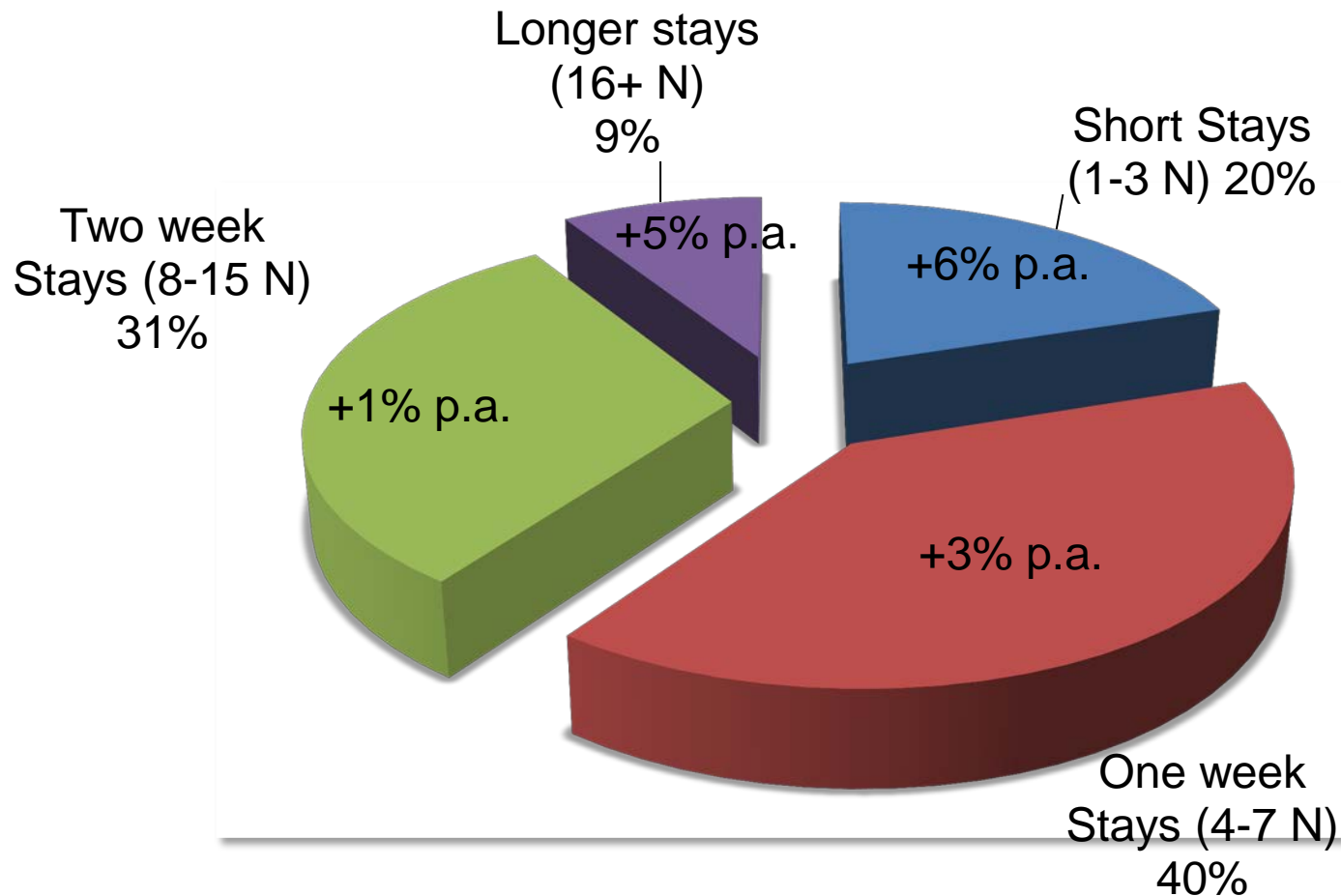
Source: World Travel Monitor® 2014, IPK International

Global Inbound to Mediterranean Winter Season is Outperforming 2014



Source: World Travel Monitor® 2014, IPK International

Global Inbound to Mediterranean Length of Stay is Diversifying 2014

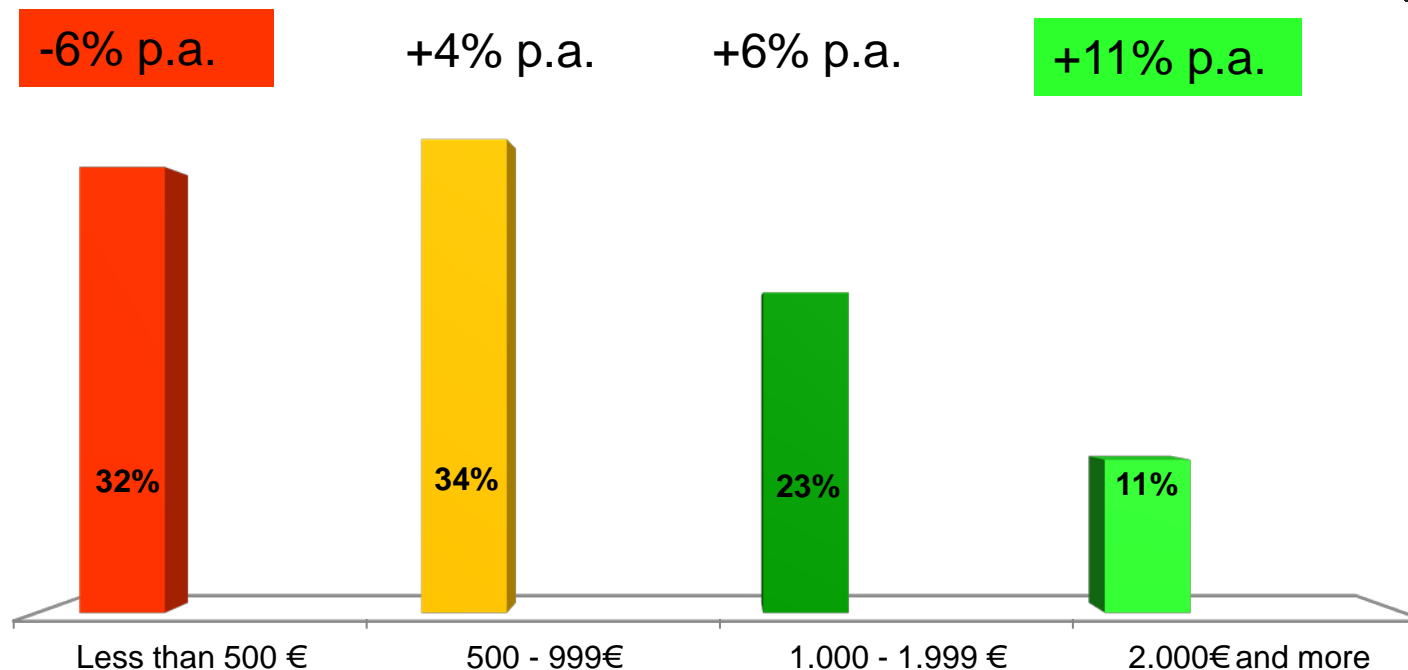


Change: 2011 – 2014

Source: World Travel Monitor® 2014, IPK International

Global Inbound to Mediterranean

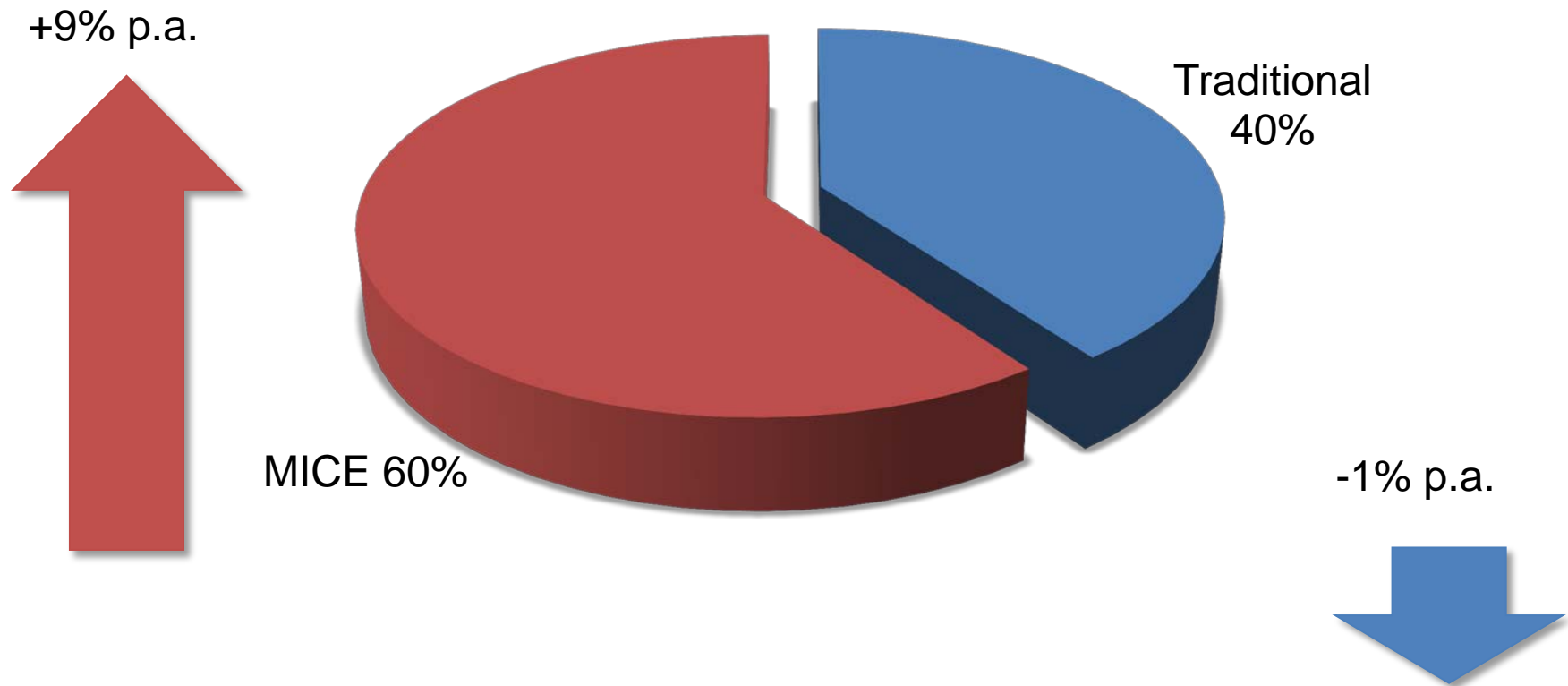
High Spenders are the Boomers



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

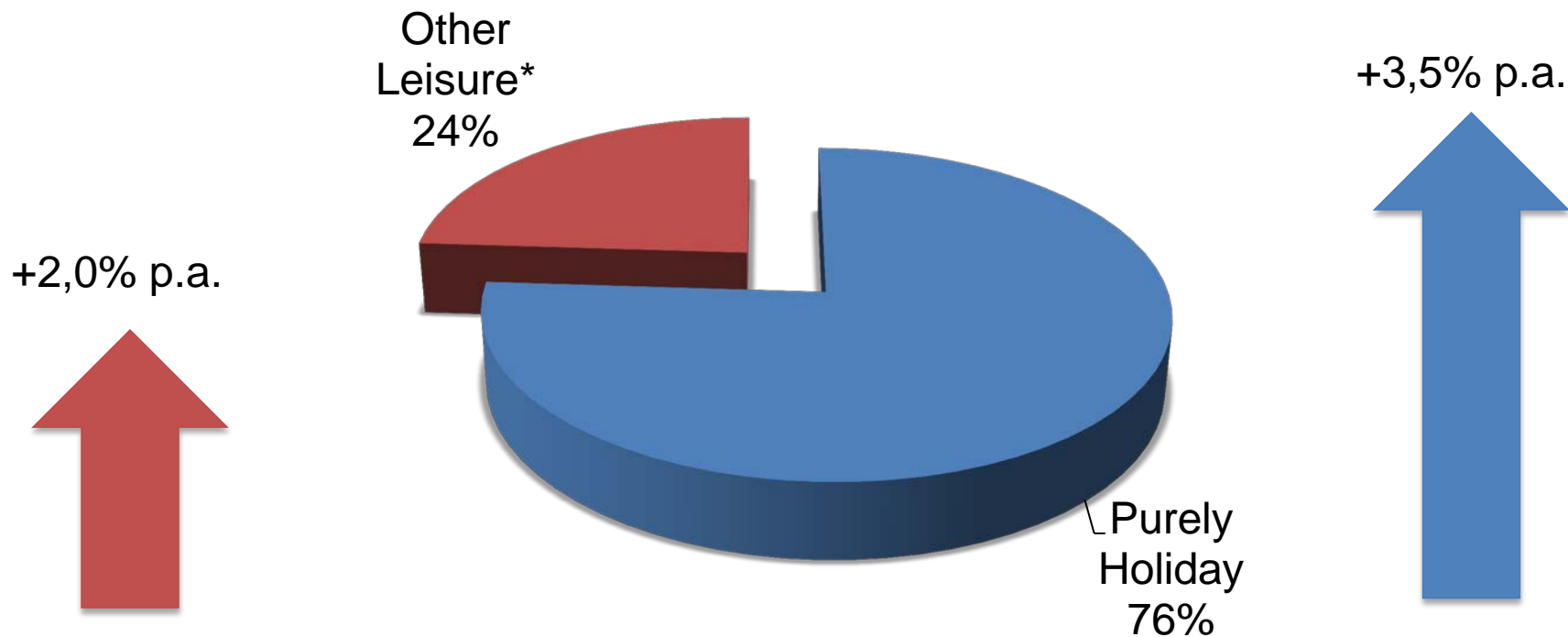
Source: World Travel Monitor® 2014, IPK International

Global Inbound to Mediterranean Mice Travel is Outperforming 2014



Source: World Travel Monitor® 2014, IPK International

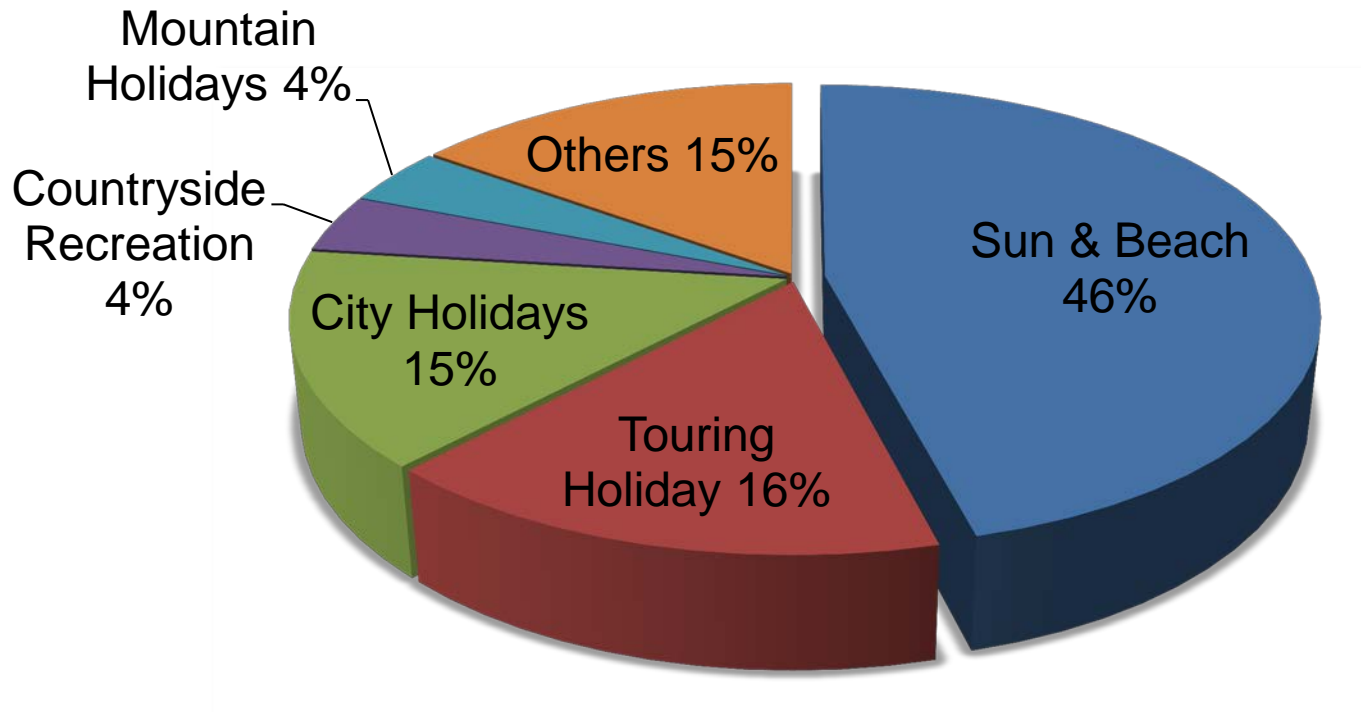
Global Inbound to Mediterranean Leisure Travel 2014



* 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

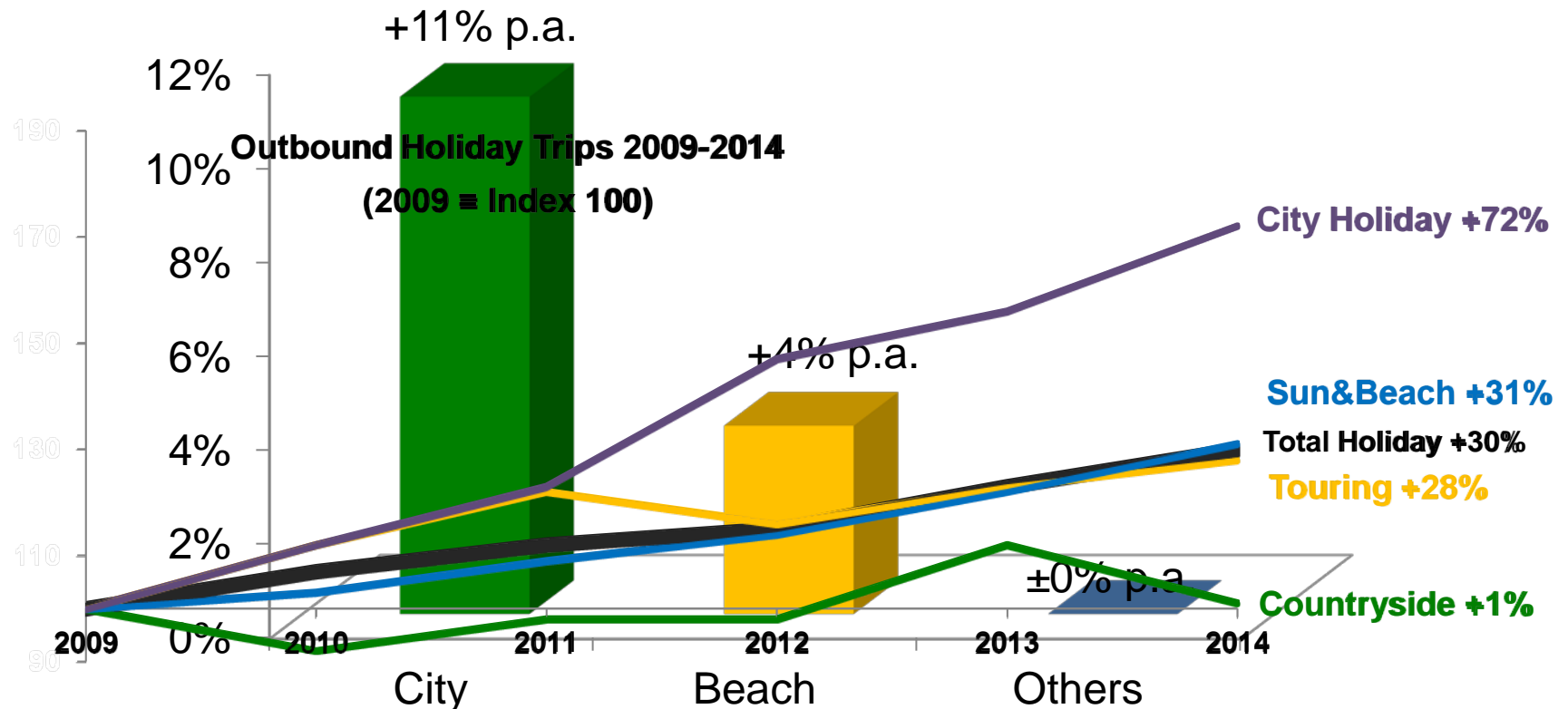
Source: World Travel Monitor® 2014, IPK International

Global Inbound to Mediterranean Type of Holiday 2014



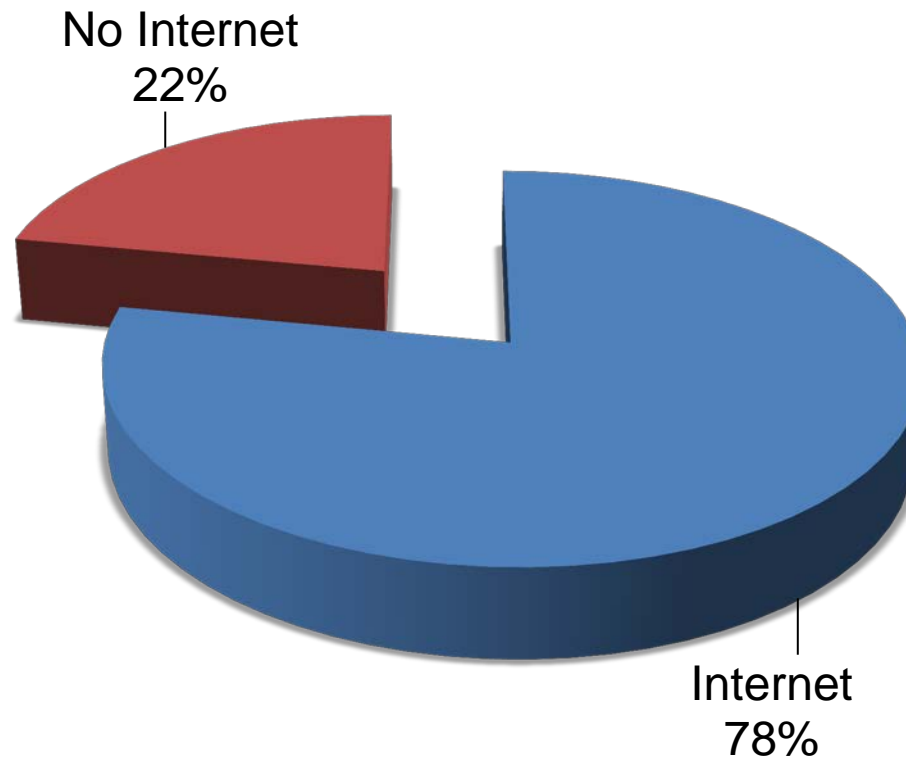
Source: World Travel Monitor® 2014, IPK International

Global Inbound to Mediterranean City Trips are the Growth Driver



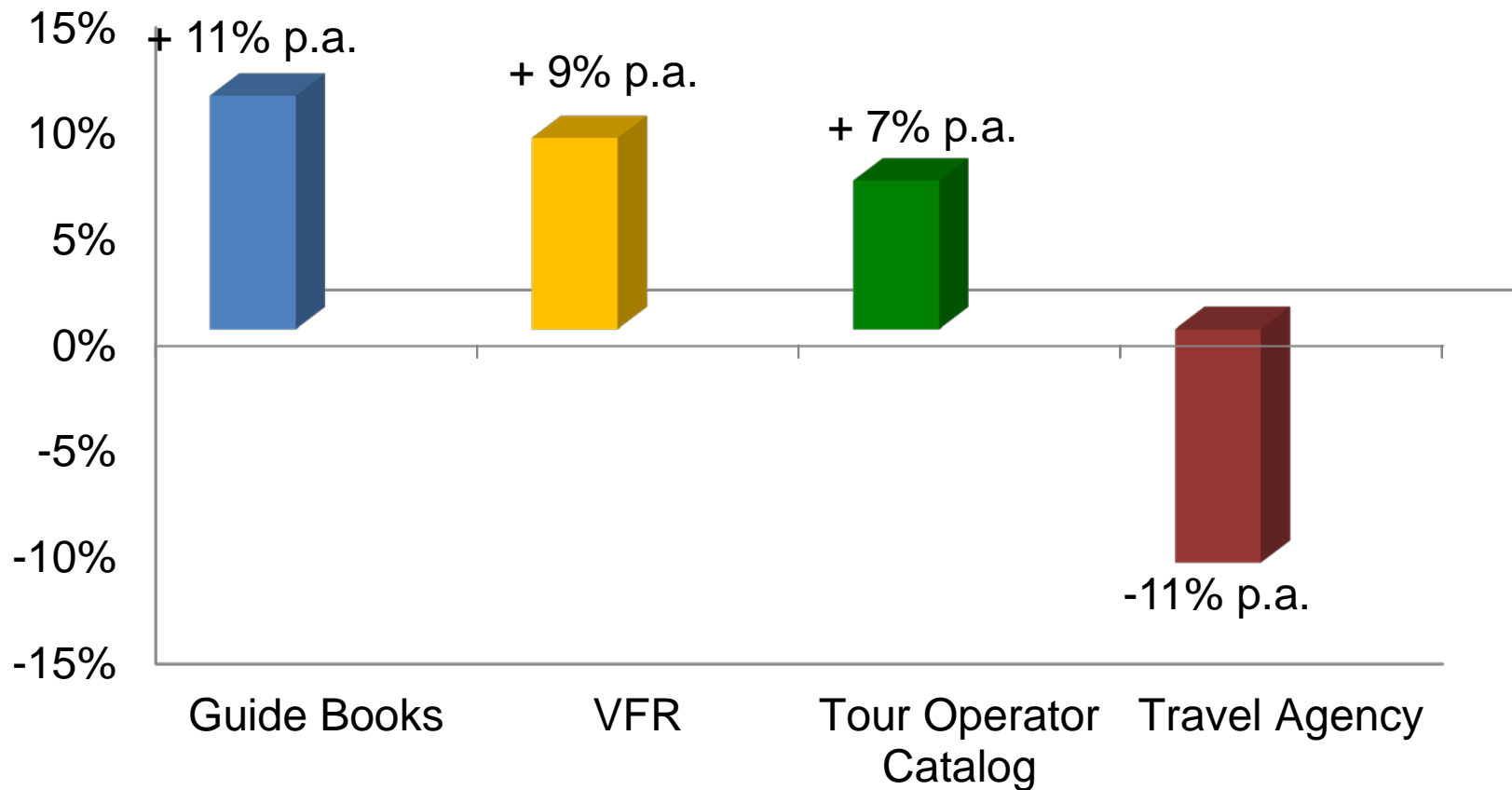
Source: World Travel Monitor® 2014, IPK International

Global Inbound to Mediterranean Information Sources Used 2014



Source: World Travel Monitor® 2014, IPK International

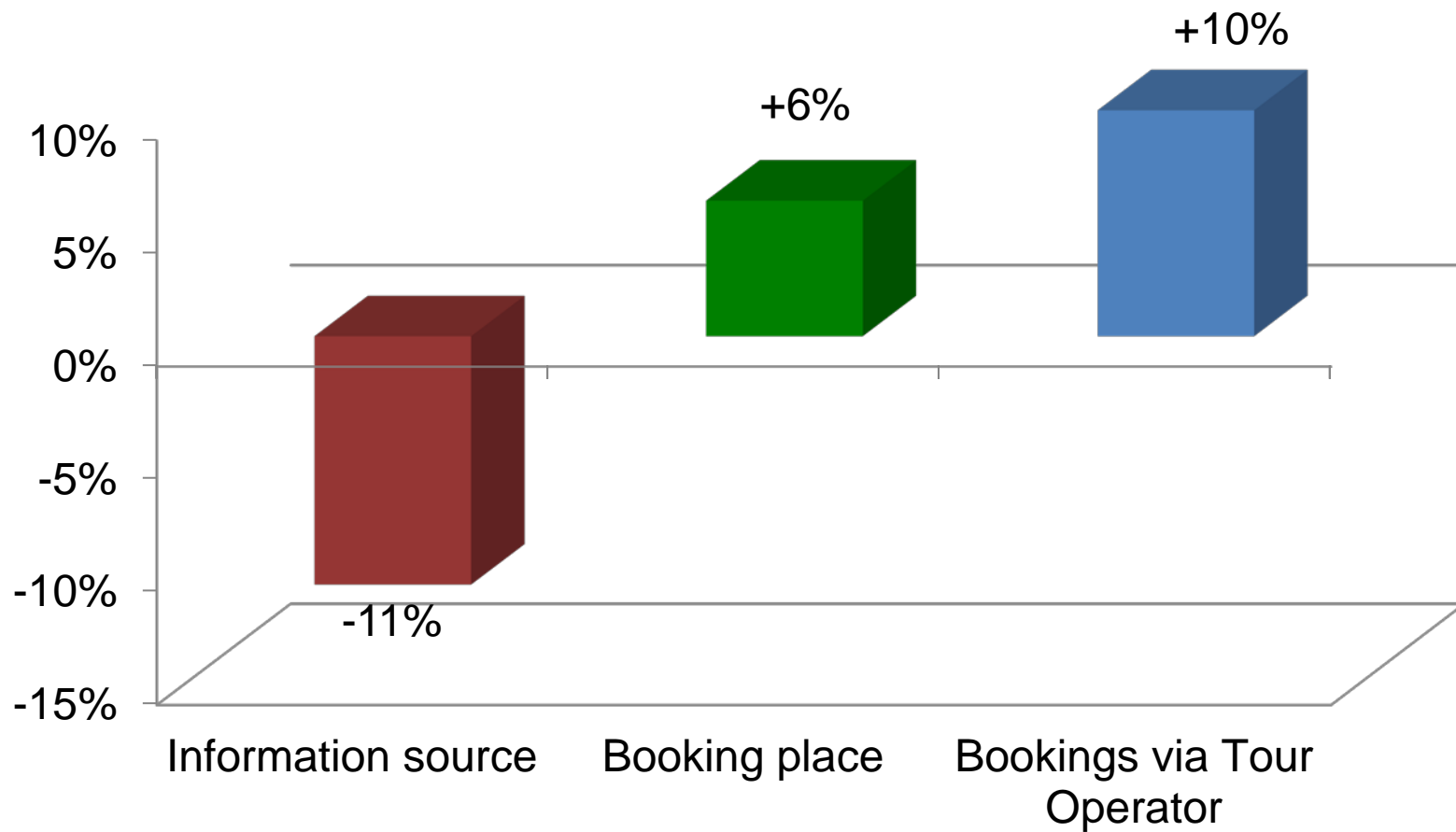
Global Inbound to Mediterranean Trend by None Internet Information Sources



Source: World Travel Monitor® 2014, IPK International

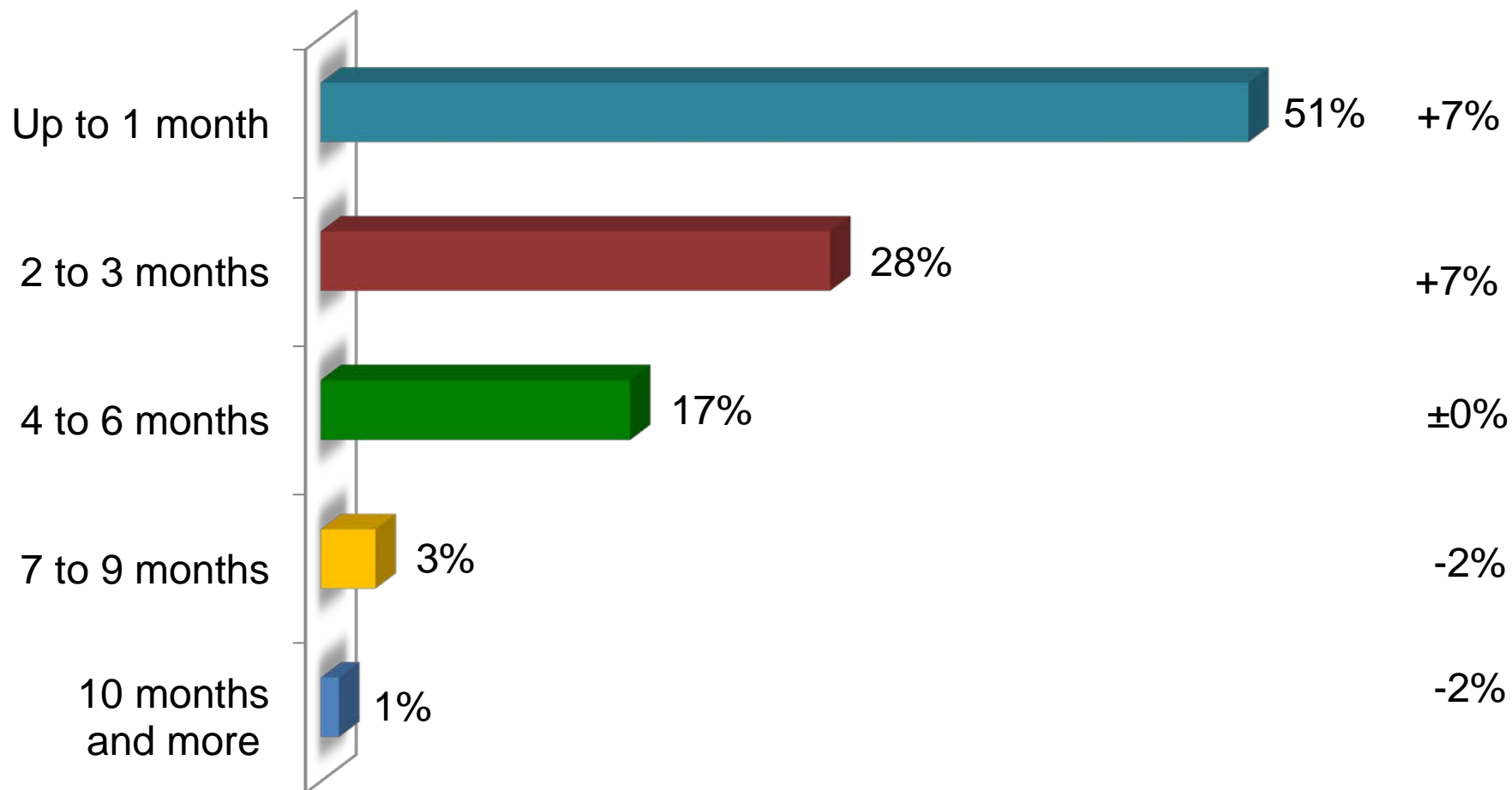
Global Inbound to Mediterranean

Is Traditional Travel Trade Out?



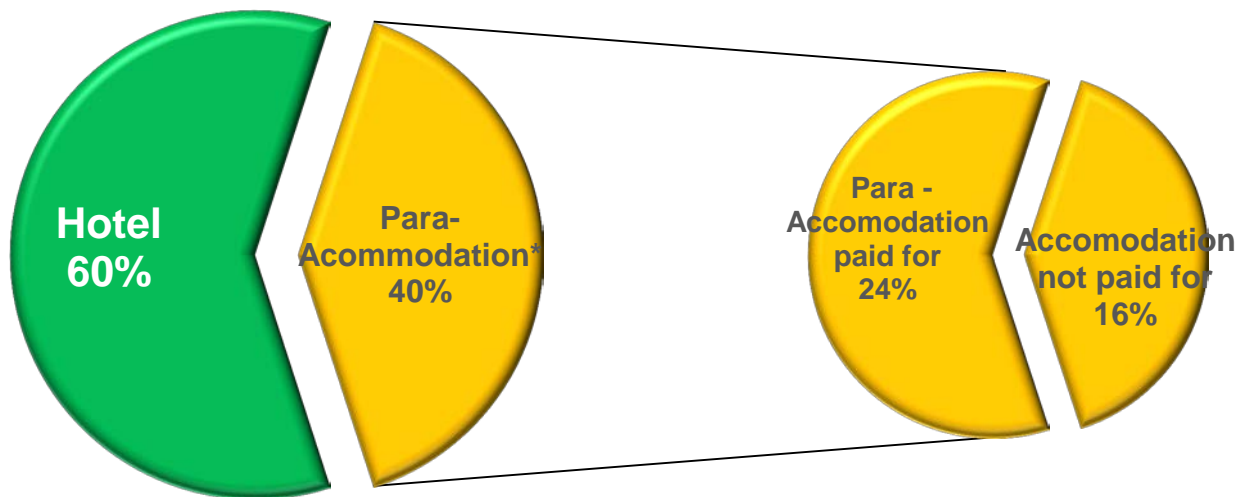
Source: World Travel Monitor® 2014, IPK International

Global Inbound to Mediterranean Booking Periods Have Shortened



Source: World Travel Monitor® 2014, IPK International

Global Inbound to Mediterranean Accommodation Choice Diversifies



Upper
+ 5% p.a.

Middle
+ 2% p.a.

Budget
-8% p.a.

Para-Accommodation
+ 8% p.a.

??? Impact of Sharing Hospitality

*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 outbound 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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