

## **EUROPEAN TOURISM FORUM 2006**

### **LIMASSOL, CYPRUS**

#### **WORKSHOP 3 Report : NEW TRENDS, NEW MARKETS**

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#### **Introduction and Objectives**

The workshop “New Trends and New Markets” during the European Tourism Forum 2006 in Limassol discussed the main current trends in the European tourism sector. The objective of the workshop was to identify the drivers for such trends, to examine how these specific market trends could contribute towards tourism growth within Europe and to look at the impact of such trends on the changing customer needs. An additional target was to discuss whether these trends would offer additional products for special target groups like young or senior tourists and whether the tourism stakeholders in Europe are responding to the changing consumer behaviour.

In addition to the factsheet provided in preparation of the Forum we took note of one introductory presentation in the opening plenary session and four presentations in Workshop 3 on the following subjects:

- The impact of New Trends and New Markets in Tourism (Greg Richards, European Executive Member of ATLAS)
- Wellness: a Growing Niche in the Hospitality Sector (Ms. Susanne Kraus-Winkler, Managing Partner Kohl and Partner, Vienna)
- Residential Tourism and Timesharing: Growing Demand for Second Homes (Mr. Peter Van der Mark, Secretary General of Timesharing in Europe)
- Coastal Tourism: The Cruising Market (Mr. Pier Luigi Foschi, Chairman and CEO of Costa Crociere)
- New Markets, New Trends, the Consumers' Perspective – Independence, Choice and Quality Assurance (Mr. Trevor Watson, CEO UK Caravan Club)

#### **Issues Identified**

The following basic drivers and trends for the tourism market have been identified by the workshop participants:

- More available leisure time for consumers but at the same time increasing time pressure moves leisure time and relaxation, wellbeing and health more and more into the centre of the tourism demand. For example wellness has become already a core product of the European tourism sector.
- Another important trend in tourist behaviour is that Europeans tend to choose more often holidays with shorter stays. This may be the result of important Socio-demographic changes: The prospects of more and smaller households, higher disposable incomes and more flexible working patterns leads to even more short-break holidays and a demand for higher quality services. This development may also offer some possibilities to low season products contributing to reducing the seasonal nature of the tourism industry in Europe.
- The percentage of people over 60 in Europe is growing. This results in increasing demand for quality, convenience, security, ease of access and “luxury”. Health, SPA and

'keep fit' tourism is among the segments likely to benefit from this trend. This target group increasingly spends longer periods in tourist destinations considered to provide pleasant living conditions, in particular in the South and off-season. In addition to this share 10% of tourists are already recognised as having reduced mobility and with special needs that must be catered for to enable them to fully benefit from tourism.

- At the same time however, changes in tourism demand are diverse. EU citizens are asking for more quality at all levels concerning their living conditions in general, the environment, products and services. The holiday experience is very important for the citizens and is expected to provide better conditions than those at home. Tourists are becoming more and more mature, hybrid, spontaneous and are asking for different products to meet their specific needs and desires.
- Tourists are more mature, sophisticated, experienced, the share of self organised tourism compared to packages is increasing, the tourism service for this group is changing from offering packages to offering information in real time.
- At the same time intangible tourism resources like images, lifestyles, atmosphere, narratives, creativity or media coming more and more into the centre of the tourism experience. This coincides with the increasing demand on authenticity.
- Also an emerging Eco-Tourism market can be noted. Recent surveys show that the tourist's interest in natural and cultural heritage sites is growing. Leisure activities linked to direct contact with nature like mountain biking, climbing or trekking or other eco-tourism activities are one of the fastest growing tourism market segments, currently covering 7% of all international arrivals. Tourism in natural protected areas, such as national parks or agro-tourism, is certainly becoming more popular.
- The trend to low cost airlines continues in the next years and is expected to increase to 35% of European air traffic by 2010. 75% of the LC market share is said to represent new customers. Yet this is only one side of the picture, since long-haul travel at the same time is the most rapidly growing form of tourism transport.
- On the other side we should not underestimate other trends which may endanger the positive development of European tourism especially in certain regions. While most of these trends will lead to new tourism demand and thus create additional jobs and GDP, they may have also adverse impacts on tourism sector. For example according to Eurostat in 2003 66.4 % of Europeans travelled by road, 23.3% by air, 6.6% by train and 3.7% by sea. We have to take into account the contribution of air transport on climate change, but also the decline of mass tourism destinations that could exceed their carrying capacity or the loss of potential environmental and cultural assets, which are the basis of the tourism experience.

Some of the new markets and products have been presented in detail to the Forum. Some examples from the wellness and SPA tourism, the creative tourism, the time sharing tourism, caravanning and cruising have shown that they are contributing largely to the future success of European tourism but also integrate in their offer the new consumer expectations and trends.

## **Conclusions and Recommendations**

Working Group 3 underlined some important challenges for the future tourism development resulting from these new market trends:

- The tourism industry and the tourism policy has to pay attention to the core drivers of change behind the trends and attitudes identified, which are becoming increasingly a combination of cultural, psychological, social and economic drivers.
- For integrated products e.g. creative tourism or wellness tourism partnership with other industry like the cultural industry, or the medical industry and wellness industry will deliver added value and create new opportunities.

- The changing behaviour and consumer attitude prompts for a better cooperation with consumers in order to shape the products and meet the tourists' expectations. It is essential to integrate the consumers' perspective in any tourism development from the beginning.
- The tourism industry is challenged to become more creative even in growth markets. Trends are changing fast so that the products should be continuously adapted to emerging issues.
- It should not be underestimated, that product development for new market needs high professionalism and careful assessment of investments.
- Quality in service highly depends on staff and surrounding conditions. Especially for new and fast developing sectors and products we need to give better attention to the training of skilled labour, as the good service of staff is a key for success.
- The Workshop also reaffirmed the need for reliable and harmonised tourism statistics on European for successful investment decisions but also for a better targeted tourism policy. Especially the lack of reliable figures in the cruising sector brought this subject again on the agenda of discussion.
- As neighbouring markets are also emerging, participants launched the idea of deepening the cooperation with these countries, opening also new opportunities for European tourism industry.

Some of the new trends are already integrating more and more the sustainability perspective. For example the development of wellness tourism contributes to overcome the problem of seasonality and leads to higher occupancy rates and longer stays, also the time sharing concept contributes seasonality, higher occupancy rates and less use of space in destinations.

But it was also highlighted that there are remaining factors that may pose limitations to the future growth, for example the problem of capacity of infrastructure like roads and ports, congestion in the destination and along the major access routes, also in the field of shore excursions. Also the problem of environmental and social carrying capacity of destinations was pointed out by the participants.

Workshop acknowledges therefore that sustainability (including all three pillars – the environmental, social and economical perspective) should be moved into the centre of tourism industry and tourism policy involving all the stakeholders. There was a broad support for the current process launched by the European Commission to set up a sustainability agenda for European Tourism.

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