GCC Outbound Travel Market Report

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Market Vision Research & Consulting, Dubai
Agenda

- GCC market profile
- Research insights
  - GCC travel trade
  - GCC consumer
- Conclusions & recommendations
- Q & A
## 1. GCC Market Profile

<table>
<thead>
<tr>
<th></th>
<th>Saudi Arabia</th>
<th>UAE</th>
<th>Kuwait</th>
<th>Oman</th>
<th>Qatar</th>
<th>Bahrain</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population</strong> (million)</td>
<td>32</td>
<td>10</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td><strong>GDP</strong> (US$ billion)</td>
<td>640</td>
<td>371</td>
<td>110</td>
<td>63</td>
<td>157</td>
<td>32</td>
</tr>
<tr>
<td><strong>GDP per capita</strong> (US$)</td>
<td>20,150</td>
<td>37,678</td>
<td>26,005</td>
<td>15,964</td>
<td>60,787</td>
<td>24,183</td>
</tr>
</tbody>
</table>
1. GCC Market Profile

With demographics skewed towards a younger population
1. GCC Market Profile

Fast growing outbound travel volume

GCC International tourist departures, 2000-2030f, million

Source: UNWTO (Middle East data) and Market Vision (GCC estimates)
1. GCC Market Profile

Matched by rise in travel expenditure

Tourism expenditure from GCC markets (US$ billion)

Source: UNWTO based on national sources
Trade & Consumer Research Insights
2. GCC Travel Trade

Traveller profile

- International leisure travel led by GCC nationals
- 18-54 years; family oriented
- Multi-generational holiday travel → large travel groups
- Millennials segment growing → rise in small travel groups

Traveller behaviour

- Main holiday peak period still summer
- Trend towards travel round the year
- Trend towards exploring new destinations
- Trend towards different holiday types and activities
- Booking lead times changing to book earlier
- Use of internet for research and planning common
Key drivers to holiday in Europe

• Aspirational, ‘upmarket’ destination
• Diversity of product and holiday experiences
• Shopping for luxury brands
• Good weather; summer getaway destination
• Familiarity drives repeat visitation

Key barriers to holiday in Europe

• Cost of holiday *
• Halal food
• Language
• Safety & security

* Though perception is changing
2. GCC Travel Trade

Marketing of Europe to GCC travellers

- Easier to sell
- Multi-destination packages
- Luxury and budget options

Trade activities in promoting Europe

- Offline and online media channels, with increasing use of social media
- Joint promotion campaigns with airlines, banks, NTOs
- Use of influencers to promote destinations and travel products
Future travel trends

- Growth in outbound travel to the world
- Growth in travel to Europe, but increasing competition
- Multi-destination travel to increase
- Value-for-money to drive destination choices

Best prospect’ customer segments for Europe

- Led by GCC nationals
- Family travellers; 35-54 years
- Millennial travellers; 18-34 years

✔ First time and repeat visitors
3. GCC Consumers

General motivations to holiday abroad

- See new places: 70%
- Need to de-stress and relax: 66%
- Spend vacation time with family: 61%
- Change from routine: 52%
- Experience / learn about new cultures: 47%
- Shopping: 32%
- Participate in different activities (sports, art, adventure): 20%
- Escape from summer heat: 17%
- Enjoy holiday time with friends: 12%
- Other (meet new people, make new friends): 4%
3. GCC Consumers

Motivations to holiday in Europe

- See new places: 70%
- Europe’s scenic beauty and natural landscapes: 64%
- To enjoy the weather in Europe: 63%
- Diversity of cultural & historical attractions in Europe: 47%
- Diversity of holiday experiences and activities in Europe: 39%
- Ease of accessibility (many flights to Europe): 37%
- Ease of travel to many countries with Schengen visa: 35%
- To shop for high quality, luxury products in Europe: 33%
- Europe is a value-for-money destination: 25%
- Feeling of safety and security in Europe: 22%
- Local people are hospitable and friendly: 18%
Motivations to holiday in Europe

Different European countries have different iconic attractions, there is so much diversity which attracts. - Emirati female

Most of Europe has a developed tourism infrastructure. It has some of the world’s largest tourism economies. - Emirati male

Europe is great for shopping. For famous fashion brands. - Kuwaiti female

The atmosphere in European countries is really nice, and the weather is amazing. - Kuwaiti male

I like going to Europe a lot because each place is different from the other and there are lot of different activities, different weathers, different cultures. - Saudi female

Nature’s beauty, greenery, mountains, beaches, the countryside, the weather - all attract us. …different life and a different lifestyle. - Saudi male
3. GCC Consumers

Shopping as motivation to travel to Europe – top 5 reasons

- Products sold in Europe are of high quality: 84%
- More brands to choose from: 64%
- Latest products, new fashion & brands: 61%
- Better selection when shop in Europe: 59%
- Designs/styles unique from those in my country: 57%
3. GCC Consumers

Shopping as motivation to travel to Europe

“The best part about Europe is you can go the original/main stores of the famous brands for clothes, perfumes, jewellery, watches, bags and so on. You get the latest styles and designs.” - Kuwaiti female

“Major luxury brands are cheaper in Europe, and you get the original product in so many styles and colours for you to choose from…” - Saudi female

“We always keep a day or two to go the factory outlets. There are a lot of brands and plenty of choice, and you get best discounts”. - Emirati female

“I like to buy sports outfits, sports shoes and accessories when I travel to Europe and US. There’s better selection and better prices” - Kuwaiti male
3. GCC Consumers

Barriers to holiday in Europe

- Did not get an opportunity to do so
- Europe is expensive
- Requires too much advance planning
- Lack of availability of Halal food
- Difficulty in getting visa
- Concerns about personal safety & security
- It is too far (long distance and travel time)
- Wished to visit other parts of the world
- Language is a barrier
- Lack of cultural affinity

- Been to Europe once
- Not been to Europe
3. GCC Consumers

Barriers to holiday in Europe

“Recent situation with terrorist attacks is worrying. I hear there is greater scrutiny especially of people coming from the Middle East. I would rather go to places where I won’t have to face this”. - Saudi male

“Especially when travelling with children, I want to go to a safe place. Nowadays, in so many cities in Europe, incidents keep happening. East Europe is better; we may go there”. - Emirati male

“Once you go to Europe, it’s impossible to say that you don’t want to go there anymore. Tourism is so developed there; it is enjoyable to go there”. - Emirati female

“No matter where you go, you’d go back to Europe. There is a cultural distinctiveness that is only to be found in Europe”. - Saudi female
3. GCC Consumers

Travel experience – regions visited

<table>
<thead>
<tr>
<th>Region</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle East</td>
<td>88</td>
</tr>
<tr>
<td>Asia</td>
<td>67</td>
</tr>
<tr>
<td>Europe</td>
<td>50</td>
</tr>
<tr>
<td>Africa</td>
<td>26</td>
</tr>
<tr>
<td>North America</td>
<td>26</td>
</tr>
<tr>
<td>Australasia</td>
<td>15</td>
</tr>
<tr>
<td>Caribbean</td>
<td>9</td>
</tr>
<tr>
<td>South America</td>
<td>7</td>
</tr>
</tbody>
</table>
3. GCC Consumers

Top 10 destinations visited

**In Europe**

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkey</td>
<td>41%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>40%</td>
</tr>
<tr>
<td>France</td>
<td>39%</td>
</tr>
<tr>
<td>Germany</td>
<td>35%</td>
</tr>
<tr>
<td>Austria</td>
<td>30%</td>
</tr>
<tr>
<td>Italy</td>
<td>30%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>25%</td>
</tr>
<tr>
<td>Spain</td>
<td>23%</td>
</tr>
<tr>
<td>Belgium</td>
<td>13%</td>
</tr>
<tr>
<td>Greece</td>
<td>12%</td>
</tr>
</tbody>
</table>

**In other world regions**

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand</td>
<td>34%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>34%</td>
</tr>
<tr>
<td>India</td>
<td>26%</td>
</tr>
<tr>
<td>Singapore</td>
<td>25%</td>
</tr>
<tr>
<td>United States of America</td>
<td>24%</td>
</tr>
<tr>
<td>Morocco</td>
<td>22%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>22%</td>
</tr>
<tr>
<td>Hong Kong (China)</td>
<td>19%</td>
</tr>
<tr>
<td>China</td>
<td>17%</td>
</tr>
<tr>
<td>Maldives</td>
<td>17%</td>
</tr>
</tbody>
</table>
3. GCC Consumers

Purpose of travel

to Europe

- Holiday: 37
- Visiting friends and relatives: 14
- Visit of sporting events: 14
- Health/medical treatment: 7
- Other purpose (wedding, short course, special event): 11
- Business: 17


to other world regions

- Holiday: 50
- Visit of sporting events: 16
- Health/medical treatment: 5
- Other purpose (wedding, short course, special event): 7
- Business: 9
- Other purpose (wedding, short course, special event): 13
3. GCC Consumers

Number of holiday trips*

* In last 5 years

to Europe

- Frequency of trips to Europe is lower than to other world destinations
3. GCC Consumers

Recent trip to Europe – seasonality

- Jan-Mar: 19
- Apr-Jun: 23
- Jul-Sep: 46
- Oct-Dec: 12
Recent trip to Europe – duration

80% visited in last 3 years

3. GCC Consumers

<table>
<thead>
<tr>
<th>Duration</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-3 nights</td>
<td>8</td>
</tr>
<tr>
<td>4-6 nights</td>
<td>21</td>
</tr>
<tr>
<td>7-10 nights</td>
<td>27</td>
</tr>
<tr>
<td>11-15 nights</td>
<td>23</td>
</tr>
<tr>
<td>16-30 nights</td>
<td>12</td>
</tr>
<tr>
<td>More than one month</td>
<td>9</td>
</tr>
</tbody>
</table>
In all, 39 European countries visited
One-half visit more than one country on trip; average of two
3. GCC Consumers

Recent trip to Europe – top 10 types of holiday

- City holiday: 24%
- Beach holiday/holiday by sea: 18%
- Holiday in the countryside: 11%
- Visit to leisure park/theme park: 11%
- Adventure trip: 9%
- Holiday in the mountains: 7%
- Shopping trip: 7%
- Touring / driving holiday: 4%
- Visit for medical treatment: 3%
- Visit of global sporting event: 3%

- Mainly city holiday, beach holiday/holiday by sea
3. GCC Consumers

Recent trip to Europe – top 5 holiday activities

- Walking around, enjoying the atmosphere: 77%
- Shopping: 72%
- Dining out: 60%
- Going on sightseeing/excursion tours: 50%
- Going to leisure/theme parks: 45%
3. GCC Consumers

Recent trip to Europe – top 5 shopping items

- Fashion apparel and accessories: 80
- Perfumes: 61
- Leather goods, shoes and bags: 58
- Cosmetics/beauty/skin care products: 46
- Watches: 40
3. GCC Consumers

Recent trip to Europe: travel companions & party size

- 7 out of 10 trips to Europe are with the family
- Half of all trips are with 3-4 people. Solo travel and very large groups are less common on trips to Europe
Recent trip to Europe: Accommodation used

- 5 star hotel or resort: 46
- 4 star hotel or resort: 22
- Rented apartment/villa/house (including Airbnb): 15
- Own apartment or villa/house: 7
- 3 star hotel or budget accommodation: 5
- Stayed with friends or relatives in their home: 5
3. GCC Consumers

Information sources

- Friends and family: 66%
- Internet, websites, social media, etc.: 65%
- Travel agents and tour operators: 33%
- Holiday brochures and travel guides: 19%
- Travel magazines: 16%
- Country tourist offices: 14%
- Travel channels/programs on television: 11%
- Travel fairs and exhibitions: 8%
- Did not use any: 4%
3. GCC Consumers

Booking channels

<table>
<thead>
<tr>
<th>Airline</th>
<th>Accommodation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through travel agent</td>
<td>Through travel agent</td>
</tr>
<tr>
<td>All-inclusive package</td>
<td>Online travel agency</td>
</tr>
<tr>
<td>Direct with airline (online)</td>
<td>All-inclusive package</td>
</tr>
<tr>
<td>Online travel agency</td>
<td>No booking required (paid accommodation not used)</td>
</tr>
<tr>
<td>Direct with airline (offline)</td>
<td>Direct with hotel on (online)</td>
</tr>
<tr>
<td>Other</td>
<td>Direct with hotel (offline)</td>
</tr>
</tbody>
</table>
• Expenditure is significantly higher in Europe than in other destinations
3. GCC Consumers

Future trip to Europe

- France: 34%
- United Kingdom: 30%
- Turkey: 30%
- Germany: 23%
- Austria: 23%
- Switzerland: 19%
- Italy: 19%
- Spain: 18%
- Georgia: 13%
- Bosnia and Herzegovina: 12%

Future trip to other regions

- Thailand: 27%
- Maldives: 25%
- Malaysia: 21%
- Canada: 21%
- United States: 21%
- Japan: 19%
- Australia: 17%
- Morocco: 15%
- China: 13%
- Indonesia: 12%

- Competition for Europe to intensify in coming years.
- Interest in other world across all potential visitors to Europe
### 4. Conclusions & Recommendations

**SWOT analysis – Europe as a destination brand**

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenic beauty, diverse landscape</td>
<td>Promoting products and experiences for:</td>
</tr>
<tr>
<td>Good weather</td>
<td>families</td>
</tr>
<tr>
<td>Rich history and cultural heritage</td>
<td>millennials</td>
</tr>
<tr>
<td>Diversified tourism product</td>
<td>Multi-destination holidays</td>
</tr>
<tr>
<td>Luxury shopping</td>
<td>Pan-European themes and routes</td>
</tr>
<tr>
<td>Ease of accessibility</td>
<td>‘All-season’ affordable, short holidays</td>
</tr>
<tr>
<td>Well-developed tourism infrastructure</td>
<td></td>
</tr>
<tr>
<td>Ease of multi-country travel</td>
<td></td>
</tr>
</tbody>
</table>

- Promoting products and experiences for:
  - families
  - millennials
- Multi-destination holidays
- Pan-European themes and routes
- ‘All-season’ affordable, short holidays
## 4. Conclusions & Recommendations

### SWOT analysis – Europe as a destination brand

<table>
<thead>
<tr>
<th>Weaknesses</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of cultural affinity</td>
<td>Increasing global competition</td>
</tr>
<tr>
<td>Safety and security concerns</td>
<td>Fluctuations in currency exchange rates</td>
</tr>
<tr>
<td>Fear of harassment</td>
<td>Increase in cost of travel</td>
</tr>
<tr>
<td>High cost of holiday</td>
<td>Natural disasters; acts of terror</td>
</tr>
<tr>
<td>Lack of availability of Halal food</td>
<td>Political instability</td>
</tr>
<tr>
<td>Language barriers</td>
<td>Economic downturn</td>
</tr>
<tr>
<td>Lack of familiarity with many destinations in Europe</td>
<td></td>
</tr>
</tbody>
</table>
The Gulf Cooperation Council (GCC) Outbound Travel Market
with Special Focus on Europe as a Tourism Destination

Thank you for listening. Questions?