LONG-HAUL TRAVEL BAROMETER 2/2023

TRAVEL HORIZON: MAY-AUGUST

eurail

EUROPEAN TRAVEL COMMISSION

Co-funded by the European Union

LONG-HAUL TRAVEL BAROMETER

METHODOLOGY

- **Target** - Potential travellers from Australia, Brazil, Canada, China, Japan, Russia and the US.
- **Method** – 1,000 online interviews with national representatives (18-70 years old), per market, per wave.
- **Frequency:** Interviews are conducted 3 times per year and provide insights into the travel horizons: January-December, January-April, May-August and September-December
- **Examined travel themes:**
  - ✓ People's intention to travel outside their region of residence*
  - ✓ Barriers and activators to travel
  - ✓ Important criteria for the selection of destinations
  - ✓ Spending behaviour in the context of raising travel costs
  - ✓ Intended length of stay and daily budget
  - ✓ Travel preferences regarding destinations, experiences and preferred transport service to move within Europe

In all markets, the survey monitors respondents' intention to travel outside the region of residence (e.g. North America for the USA). The only exception is the Russian Federation, where the intention to travel outside the Commonwealth of Independent States is measured. While data is still being collected in the Russian market, this issue of the Long-Haul Travel Barometer does not report on it.

- Insights in the following slides refer to the travel horizon May-August 2023 (4 months horizon)
- The fieldwork was conducted in April 2023

The data files are only available to the members of partner organisations.
The survey is meant to gauge travellers' attitudes and intentions and not to quantify demand levels.

This project is co-funded by the European Union.
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This project is realised with the support of: TCI Research Travel Competitive Intelligence

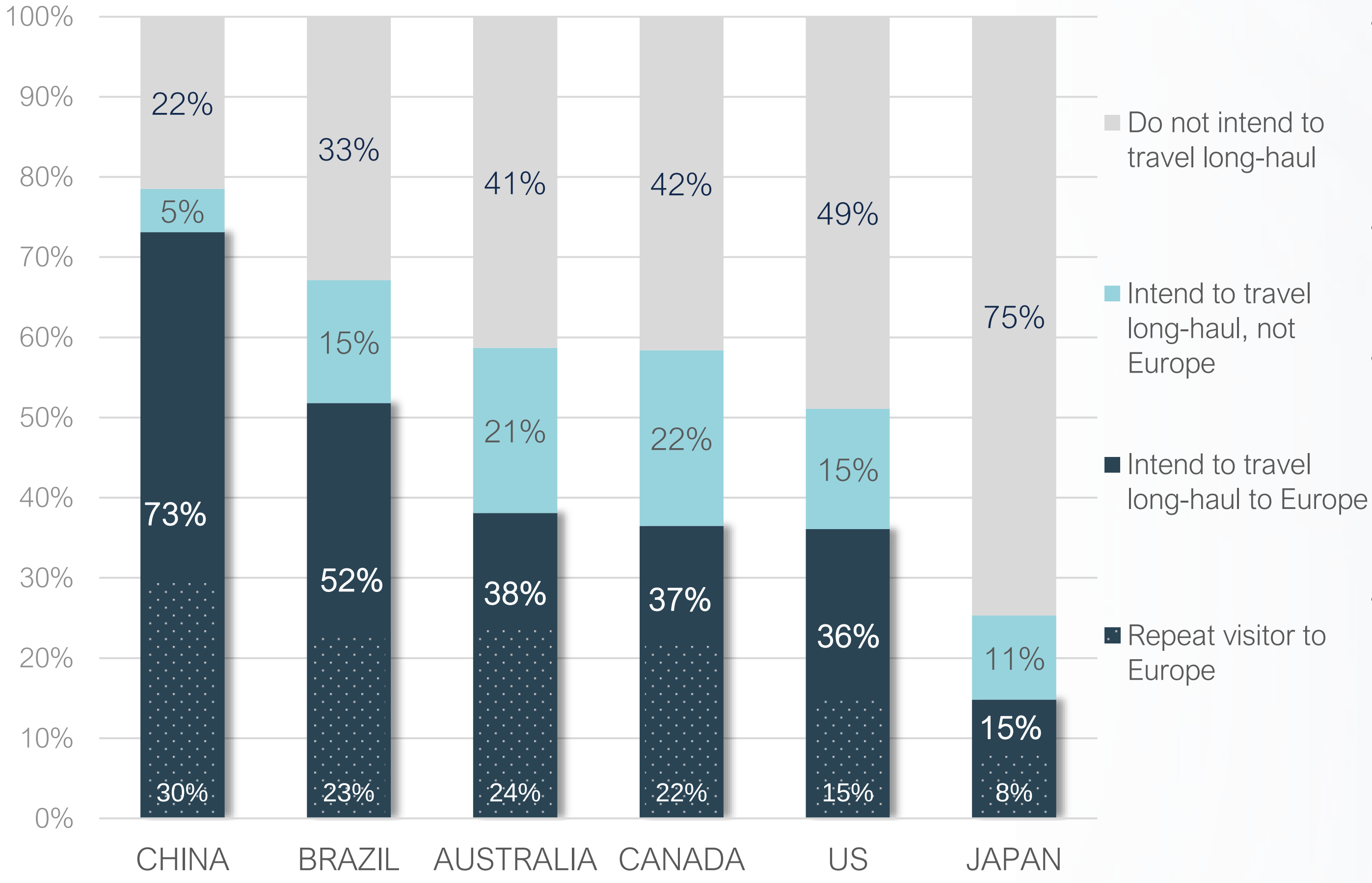
SENTIMENT FOR OVERSEAS TRAVEL

May - August 2023

INTEREST IN OVERSEAS TRAVEL INCREASES AHEAD OF SUMMER

AMONG RESPONDENTS WISHING TO VISIT EUROPE, CLOSE TO HALF ARE REPEAT VISITORS

Intention to travel long-haul between May-August 2023 *(% of respondents)*



Key takeaways[1]:

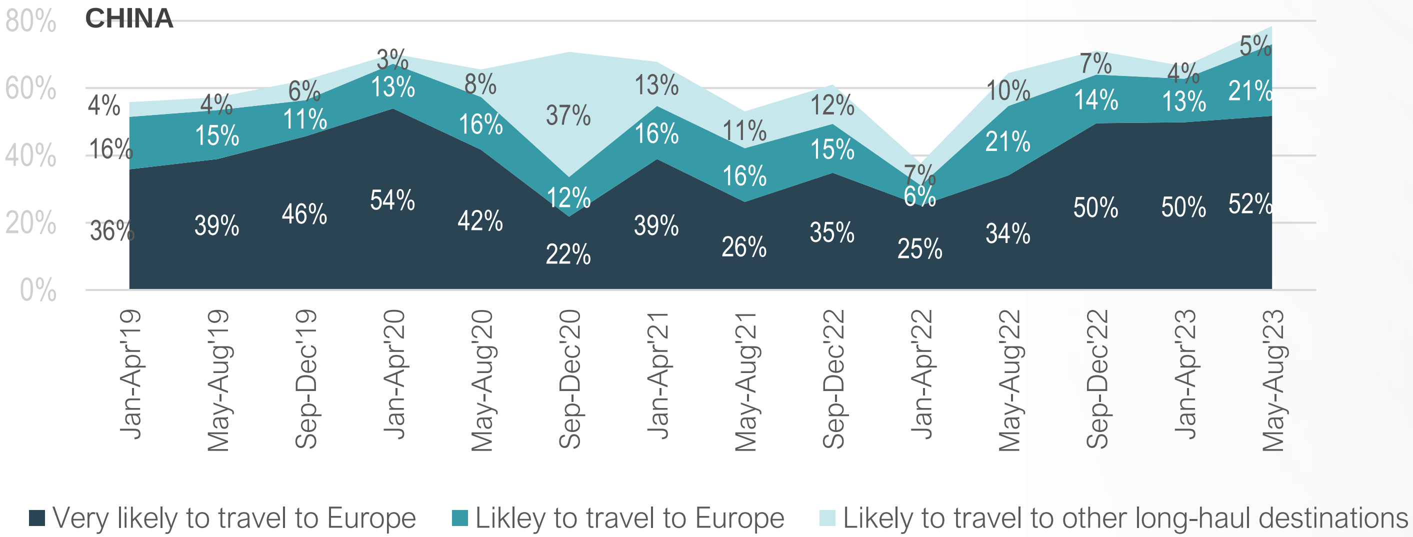
- 73% of surveyed Chinese expressed eagerness to travel to Europe in the following months, with nearly a third of them being repeat visitors. The strong sentiment is particularly prominent among the 18-34-year-old Chinese cohort. Among respondents not planning overseas trips, 35% found arranging such travel to be still a complicated process (e.g., documentation preparation, possibly changing restrictions, etc.)
- Over half of Brazilians reported plans to travel to Europe, with the positive intention mainly among those under 50 years of age. Among the no-travel-indenters, 53% mentioned their financial situation as a primary obstacle.
- In Australia and Canada, over half of respondents plan to travel, with Europe being the preferred destination. The intentions for overseas travel were particularly strong among 18-49-year-old travellers. At the same time, around 22% of respondents in these markets were interested in exploring other non-European destinations. For the Australian market, these destinations are mainly located in East Asia and North America, while Canadians prefer Caribbean destinations.
- The Japanese market continues to show the lowest willingness to travel overseas. Among those not planning far-away trips, 62% reported having no plans to travel, while 21% cited personal financial constraints. Besides the economic aspects, 25% of all surveyed Japanese shared that they would feel more comfortable travelling long-haul once the situation between Russia and Ukraine is less strained.

[1] *Detailed results are available to ETC members and Project partners*

Sample: 1000 respondents per market

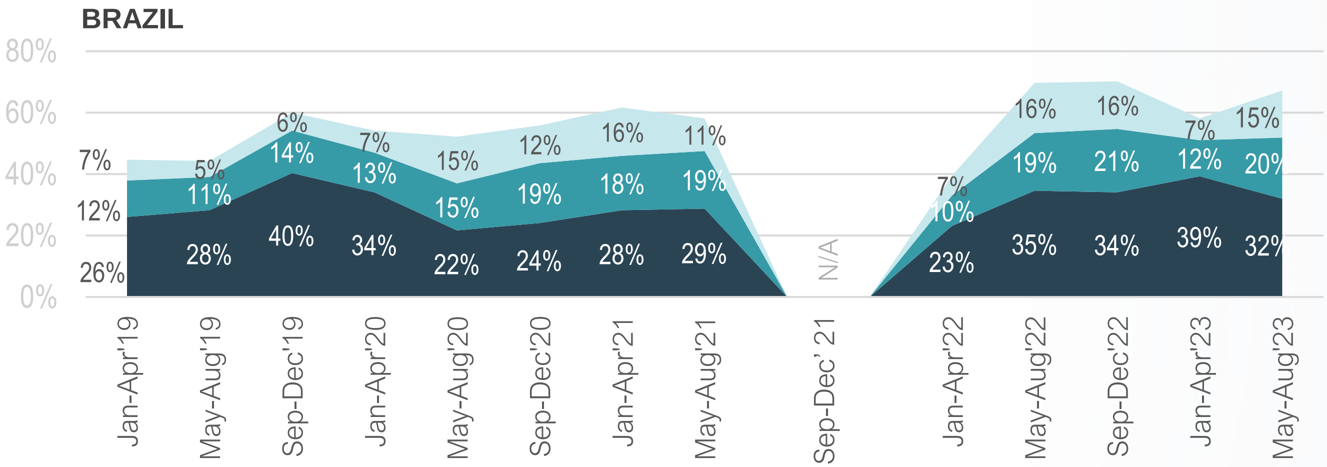
EVOLUTION OF THE LONG-HAUL TRAVEL INTENTIONS IN THE SELECTED MARKETS

The evolution of travel intentions depicts the shifts in people's desires and levels of confidence* over time



Sentiment for travel to Europe surges in China

The announcement of China reopening its borders to international travel has ignited a renewed passion for travel. Notably, the intentions for long-haul trips between May and August 2023 have experienced a significant upswing, reaching unprecedented levels compared to the past four summer seasons. Among the surveyed Chinese, an impressive 73% expressed a desire to visit Europe, and out of them, 52% demonstrated a strong level of confidence (answering "very likely")" in turning their travel plans into reality. This level of assurance harks back to the early months of 2020 when China was open. As could be expected, in the context of economic challenges, the sentiment is strongest among the wealthier segment, with a monthly household income of over CNY 9,000 (approx. 1,187eur).



Resilient travel sentiment in Brazil

The Brazilian landscape presents ongoing challenges for travellers, characterised by a sluggish economy, increasing unemployment, and declining wage growth. However, amidst these difficulties, consumer confidence remains somewhat resilient, possibly influenced by relatively low so far inflation rates. Notably, this optimistic sentiment extends to people's desire to travel. The sentiment in Brazil has remained stable since the summer of 2022, while a gradual rise since 2019 is also visible. Among surveyed Brazilians, Europe emerged as the favoured destination for May-August 2023, capturing the interest of 52% of respondents, among which 32% expressed a strong likelihood of visiting the region.

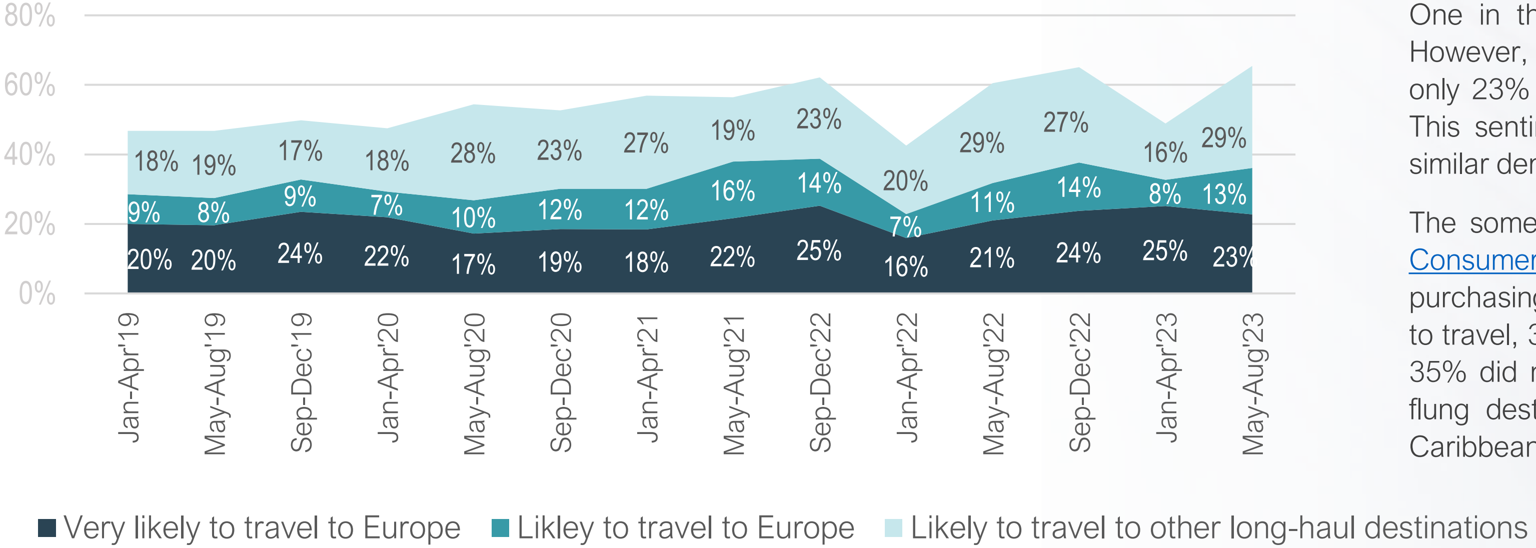
*Respondents are asked to use a slider ranging from 1 to 100 (1 - definitely not, 100 - definitely yes) to express their intention to travel to Europe in the next four months.
The category 'very likely' comprises the share of people who place the slider between 70 and 100, indicating a high level of confidence in their travel plans.

Sample: 1000 respondents per market

EVOLUTION OF THE LONG-HAUL TRAVEL INTENTIONS IN THE SELECTED MARKETS

The evolution of travel intentions depicts the shifts in people's desires and levels of confidence* over time

USA

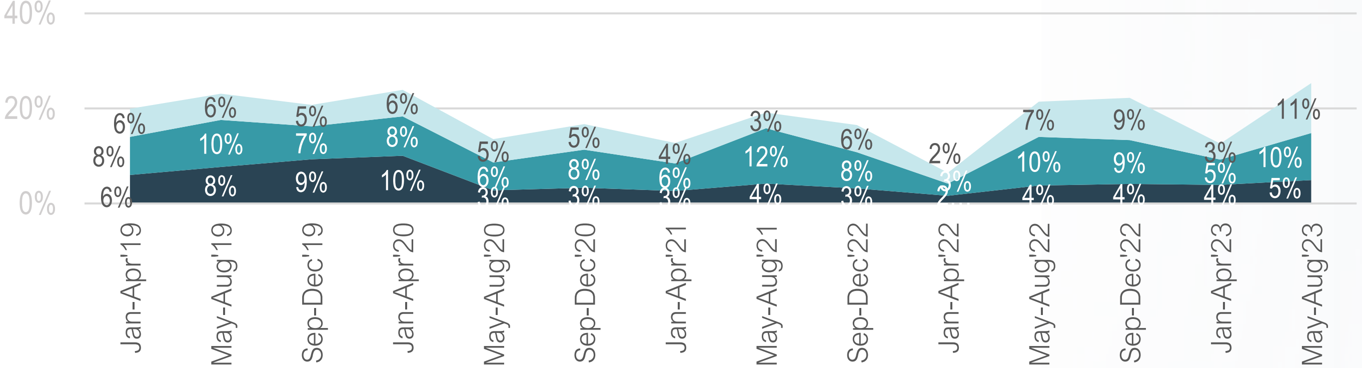


Americans are somewhat cautious about travelling to Europe.

One in three US respondents wishes to visit Europe between May-August 2023. However, the confidence level surrounding these plans is not particularly robust, with only 23% of surveyed individuals stating they are "very likely" to travel to the region. This sentiment mirrors patterns observed in previous summer periods, indicating a similar demand outlook on the horizon.

The somewhat moderate travel intention aligns with the reported decline in the US Consumer Confidence Index®, which revealed reduced anticipation of vacation purchasing plans, among other factors. Among surveyed Americans who do not intend to travel, 38% mentioned their financial situation as the primary obstacle, while another 35% did not plan to travel long-haul. US respondents remain open to exploring far-flung destinations beyond Europe, with popular regional preferences including the Caribbean, Central America, and Oceania.

JAPAN



Reluctance to travel persists in the Japanese market

While Japanese travel intentions have shown a slight improvement compared to previous summer periods, the outlook for this market remains predominantly pessimistic. Of all surveyed Japanese, only 26% have expressed intention to travel outside East Asia, and among them, only 15% have set their sights on Europe.

These persistently low travel intentions reaffirm earlier findings that the Japanese market exhibits significant reluctance regarding outbound travel. While numerous long-haul and European markets witnessed a release of pent-up demand after reopening their borders, Japan's response to its own reopening has been largely subdued.

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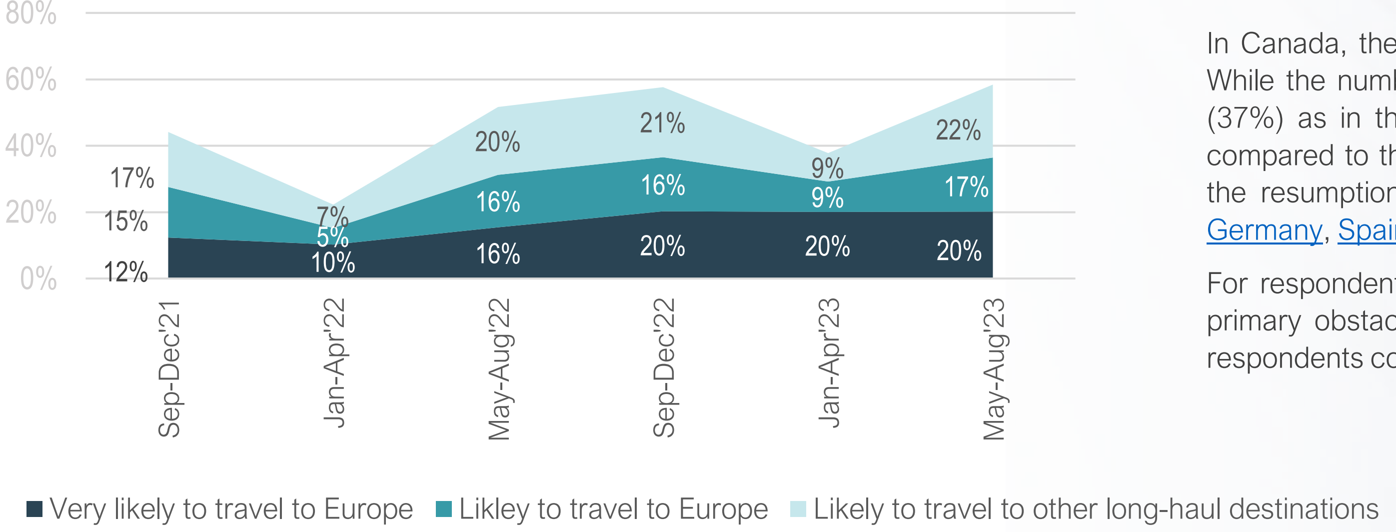
Sample: 1000 respondents per market

EVOLUTION OF THE LONG-HAUL TRAVEL INTENTIONS IN THE SELECTED MARKETS

The evolution of travel intentions depicts the shifts in people's desires and levels of confidence* over time

CANADA

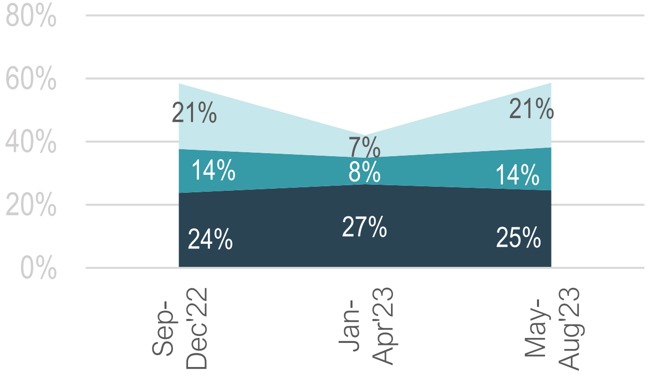


Sentiment for long-haul travel is stable in Canada

In Canada, the sentiment for overseas travel has gradually increased since the autumn of 2021. While the number of people eager to visit Europe between May and August 2023 is not as high (37%) as in the other markets, the share of those answering "very like" has increased by 4% compared to the same period in 2022. With the stronger Canadian dollar relative to the euro and the resumption of air routes and flight frequencies between major European destinations (e.g. Germany, Spain, Greece) and Canada, intentions may solidify further.

For respondents not currently planning overseas trips, personal finances (39%) are cited as the primary obstacle for long-haul travel. However, a sense of optimism remains, as 18% of these respondents consider travelling to Europe in 2024.

AUSTRALIA



Travel plans to Europe are partially impacted by air route disruption

Nearly 60% of surveyed Australians expressed an intention to embark on long-haul travels between May and August 2023, with Europe emerging as the desired destination for 39% of respondents. The interest in visiting Europe is particularly strong among the most affluent respondents, those with an annual income exceeding $55,000.

Within the group of Euro-travel enthusiasts, a significant 21% of respondents have modified their itineraries due to air route disruptions caused by the Russia-Ukraine conflict. These disturbances have potentially had a temporary impact on their eagerness to explore the region in the near future.

**Respondents are asked to use a slider ranging from 1 to 100 (1 - definitely not, 100 - definitely yes) to express their intention to travel to Europe in the next four months. The category 'very likely' comprises the share of people who place the slider between 70 and 100, indicating a high level of confidence in their travel plans.*

Sample: 1000 respondents per market

HOW DO PEOPLE IMAGINE THEIR EUROPEAN HOLIDAY IN SUMMER 2023?

Sample of respondents **who intend to travel long-haul to Europe** between May-August 2023

Sample size per market:

Australia: 381
Brazil: 518
Canada: 365
China: 731
Japan: 148
US: 361

Total sample size: 2504

LONG-HAUL TRAVEL INCREASINGLY PRICE DRIVEN

THE COST OF LOCAL ACTIVITIES IS CRUCIAL WHEN DECIDING ON A NEXT HOLIDAY DESTINATION AND RANKS RIGHT AFTER THE PERCEIVED SAFETY AND TOURISM FACILITIES OF THE LOCATION

- Having world-renowned landmarks (29%) at the destination remains a crucial factor in deciding which destination to visit. Its importance, however, is now considered equal to that of having pleasant weather conditions at the destination (30%). This gives signals that travellers' prioritisation towards comfort and convenience over sightseeing becomes evident as their awareness of the constraints imposed by extreme weather conditions heightens.
- The destinations' efforts to preserve natural and cultural heritage also remain a top criterion for selecting a holiday spot. Yet, somewhat controversial is the fact that only 15% of respondents in all markets consider it important to visit destinations that are less crowded[1].
- A very small percentage (9%) of respondents said that the proximity to a war zone impacts their destination choice.[2]

Most important criteria for choosing a holiday destination overseas by market (% of respondents)

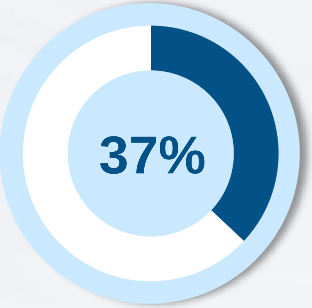
	ALL MARKETS	AUSTRALIA	BRAZIL	CANADA	CHINA	JAPAN	USA
The destination is safe to visit (e.g., no civil unrest, low crime rates, etc.)	39%	35%	40%	41%	44%	41%	36%
High-quality of tourism infrastructures	35%	28%	42%	32%	35%	30%	42%
Affordable travel experiences	32%	35%	33%	40%	23%	30%	34%
Pleasant weather conditions	30%	31%	28%	32%	42%	15%	29%
The destination hosts must-see sites (e.g., Eiffel Tower, etc.)	29%	32%	27%	27%	35%	28%	26%
The destination preserves its natural and cultural heritage	21%	22%	16%	16%	27%	21%	22%

[1 & 2] *Detailed results are available to ETC members and Project partners*

BEYOND BUDGETING:
HOW DO TRAVELERS MAKE CHOICES IN AN EXPENSIVE WORLD?

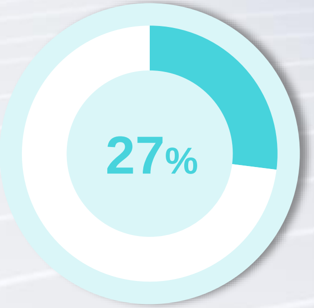
Less budget for shopping activities

Cutting back on shopping expenses is the top budgeting strategy for overseas travellers. Those travelling with a partner or family members seem slightly more open to the idea of reducing their shopping budget compared to solo travellers. Canadians are more likely to embrace this approach (44%), while only 34% and 35% of Chinese and Australian travellers, respectively, consider it a viable option.

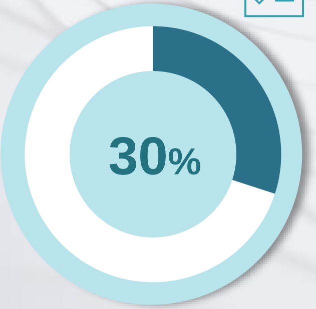


Loyalty schemes / Less expensive accommodation

Two other tactics for managing travel expenses are utilising loyalty programs and booking less expensive accommodations than usual. Those are consistent regardless of the travel party. Among the analysed markets, Chinese and Brazilian travellers are leading the way in taking advantage of loyalty programs, with 40% and 33%, respectively, compared to the total sample (27%). Meanwhile, Australians (35%) are more likely to opt for cheaper accommodation, while Chinese and Japanese travellers are the least likely to compromise on lodging costs (22% and 25%, respectively).

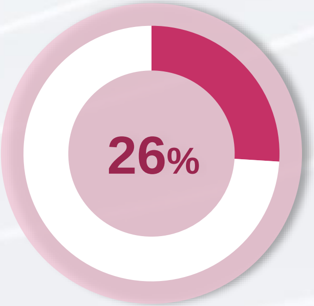


Booking affordable all-inclusive packages



Maximising value for money is a top priority for many travellers heading to Europe. With the benefits of streamlined budgeting and minimised unexpected expenses, all-inclusive packages are another popular solution. Among the surveyed markets, Brazilian travellers lead the way, with 34% opting for these packages, while Canadians show less interest (26%). Couples and families are slightly more inclined to choose full-service packages (32% and 29%, respectively) than solo travellers at 28%.

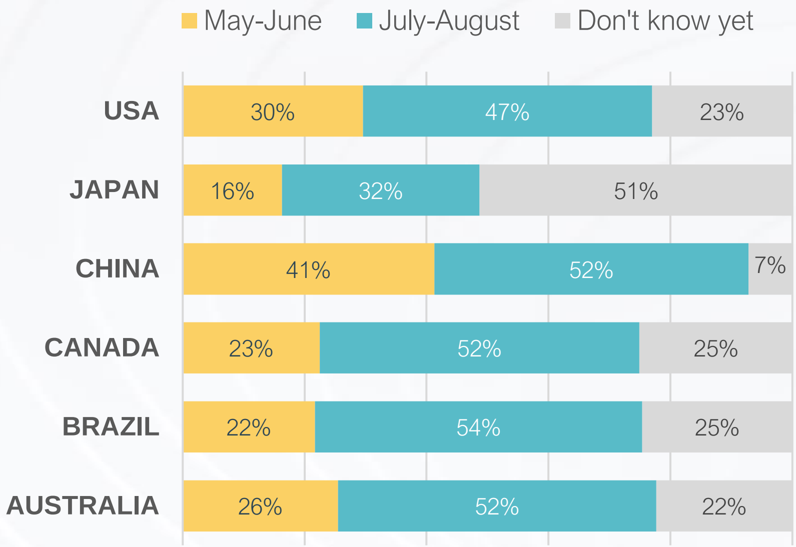
Less expensive restaurants and self-catering options



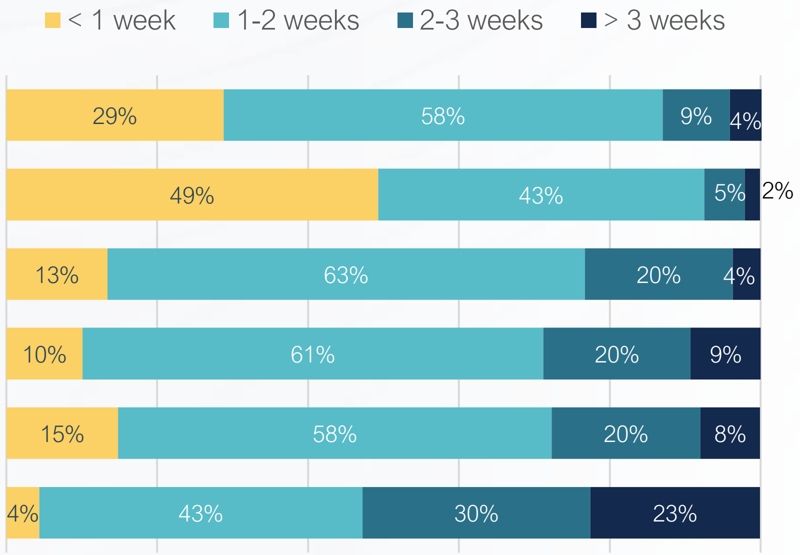
Eating at less expensive restaurants and opting for self-catering options are also strategies for reducing overall spending at the destination. Among travel parties, those travelling with a spouse or family are more likely to consider saving money on expensive dining options than solo travellers. The Australian and Canadian markets lead the way, with 31% of respondents willing to sacrifice dining out to stay within budget. In contrast, Japanese (19%) and US (22%) respondents seem less willing to compromise on dining expenses.

When it comes to budget management, there are a variety of approaches across markets. One strategy that has gained popularity, specifically among Chinese respondents, is purchasing "City Cards" at the destination, with 29% of respondents going for this option compared to the overall average of 21%. For US and Chinese travellers, reducing visits to entertainment venues, bars, and nightclubs is a popular way to save money while travelling (27% for both markets), while only 16% of Canadians and 19% of Brazilians consider this option. Interestingly, the US respondents are somehow split regarding budget management: 29% stated that they do not plan to change their behaviour despite rising costs, while 26% plan to book fewer attractions and activities that require entrance fees.

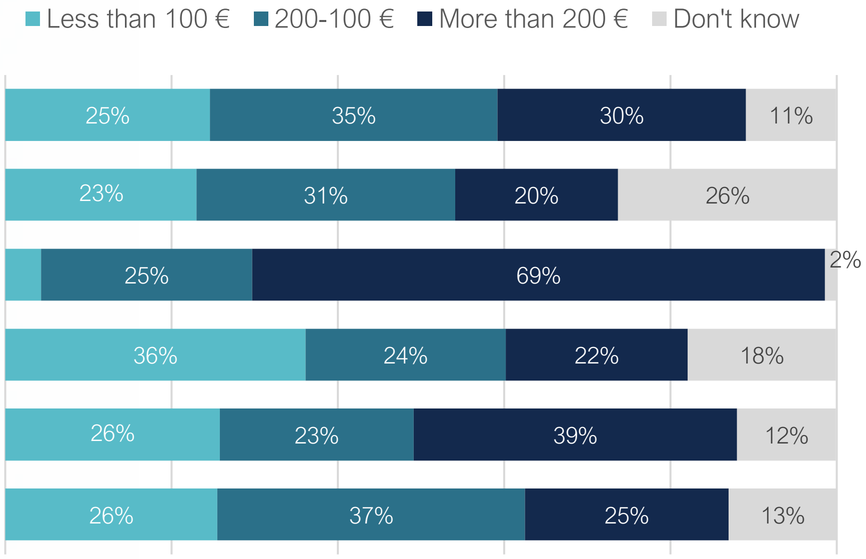
TRAVEL MONTH



LENGTH OF STAY



DAILY BUDGET*



- Europe continues to be a sought-after summer destination for overseas travellers, with most **respondents planning trips during the peak travel months of July and August**. China is the exception, as 41% of respondents also consider trips in May and June (41%).
- For long-haul travellers, **European summer trips ranging from one to two weeks are the most popular choice (54%).** However, in Japan, more respondents (49%) expressed intentions to travel for not more than a week. In contrast, Australians are the most inclined to stay in Europe for more than two weeks (53%).
- **Most respondents** planning to visit Europe **anticipate spending more than 200€ per day,** including accommodation, food, and other activities. Notably, Chinese travellers demonstrate a significantly higher intended daily budget, with most respondents (69%) planning to spend over 200€ daily. Interestingly, Brazilian planning to travel to Europe also have relatively high daily budgets, with nearly 40% planning to spend more than 200€ per day, confirming that they belong to the more affluent segment. Among the analysed markets, Canadians are somewhat more price-conscious, with almost 36% planning to spend less than 100€ daily.

**Expenditure is per person, per day and includes accommodation, food and other activities - excluding flight tickets to Europe.*

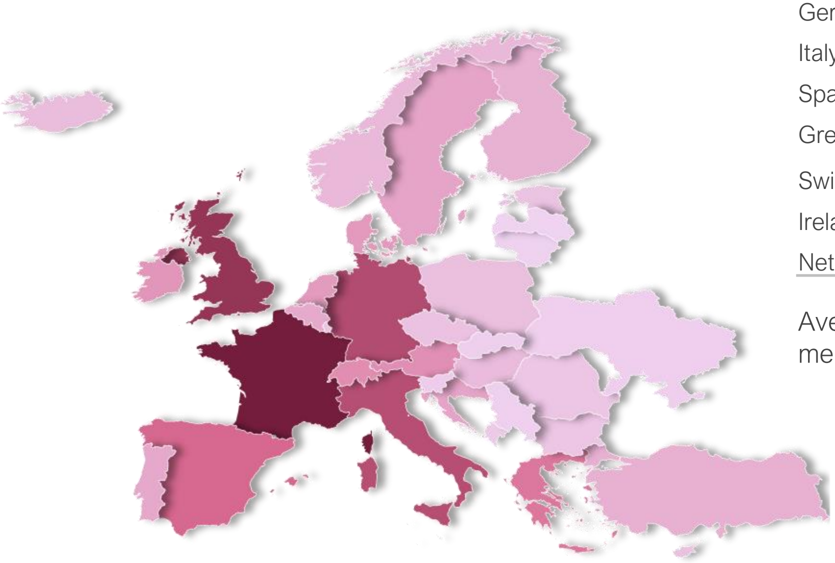
TRAVEL PREFERENCES OF AUSTRALIAN RESPONDENTS

Destination: Europe | Travel horizon: May-August 2023

Australian respondents have their sights set on cultural and historical experiences for their summer trips to Europe. Those aged 50 and over are the most attracted to these types of activities (61%) and appear to be also the most gastronomically adventurous (40%). Meanwhile, Australians aged 18-34 are drawn to the vibrant city life in Europe (36%) and are significantly more likely (22%) than their older counterparts (11% among respondents over 34 years of age) to engage in creative arts activities, such as music, film, and literature festivals, as well as participating in photography or painting workshops.

Preferred destinations

% respondents 1% 21% 42%



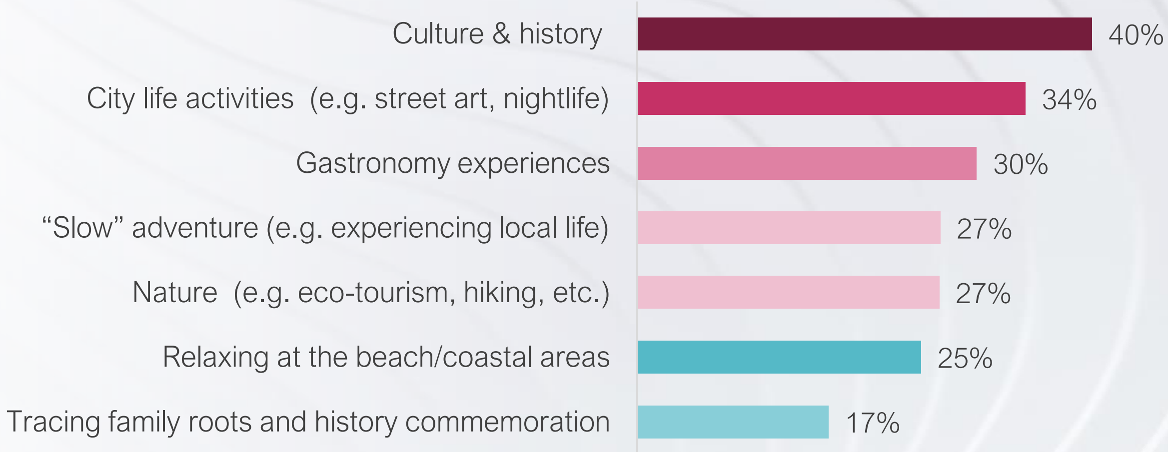
Top 10

France	42%
United Kingdom	35%
Germany	29%
Italy	28%
Spain	21%
Greece	18%
Switzerland / Austria	14%
Ireland / Denmark	12%
Netherlands	11%

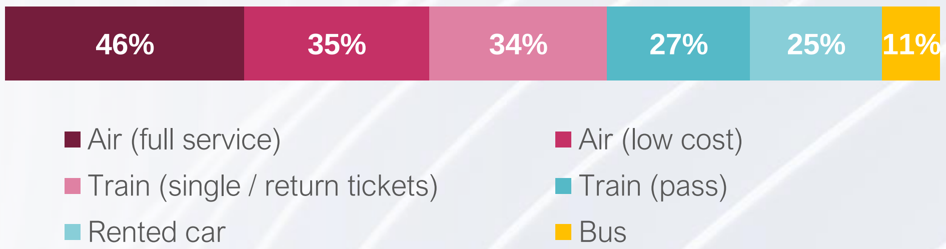
Average number of countries mentioned for the next trip

3.6

Most wanted types of activities



Preferred transport service to move within Europe



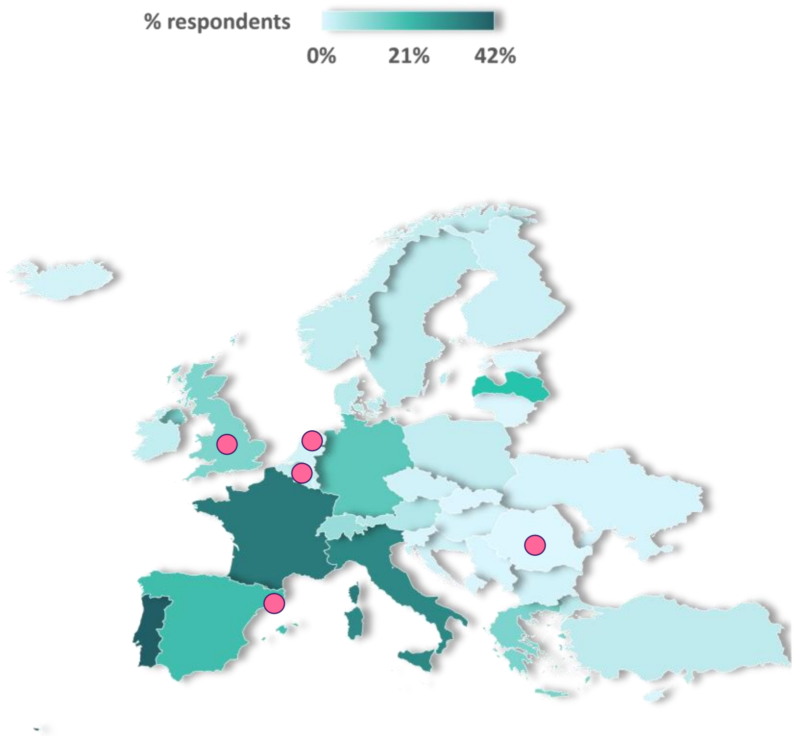
A detailed breakdown of results is available to ETC members and Project partners

TRAVEL PREFERENCES OF BRAZILIAN RESPONDENTS

Destination: Europe | Travel horizon: May-August 2023

Brazilian travellers have ambitious plans for their next trip to Europe, with many intending to visit 2-3 countries. Portugal remains the most coveted destination, with many respondents eager to explore its rich history and vibrant culture. Brazilian travellers continue to appreciate the ease of train travel, with 67% of respondents intending to purchase either a train pass or a single ticket. The main factors influencing their choice are the good value for money of train transport, the ease of planning, and the convenience of moving easily from one city centre to another.

Preferred destinations



Top 10

Portugal	42%
France	36%
Italy	33%
Spain	21%
Germany	17%
Greece	13%
United Kingdom	13%
Switzerland	9%
Austria	6%
Denmark/Sweden	5%

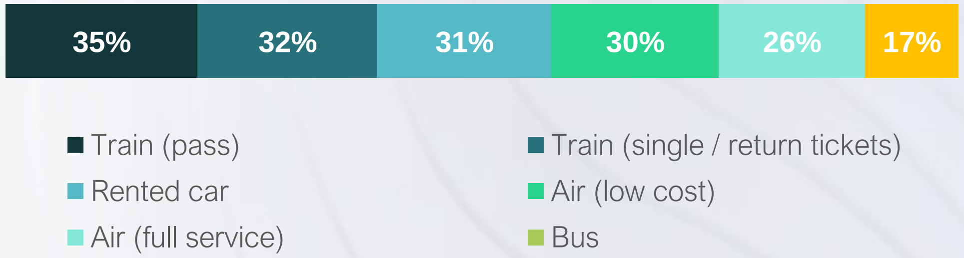
Average number of countries mentioned for the next trip

2.6

A significantly lower number of Brazilian respondents consider this destination for a trip between May-August 2023 compared to the same period in 2022.

Most wanted types of activities

Preferred transport service to move within Europe

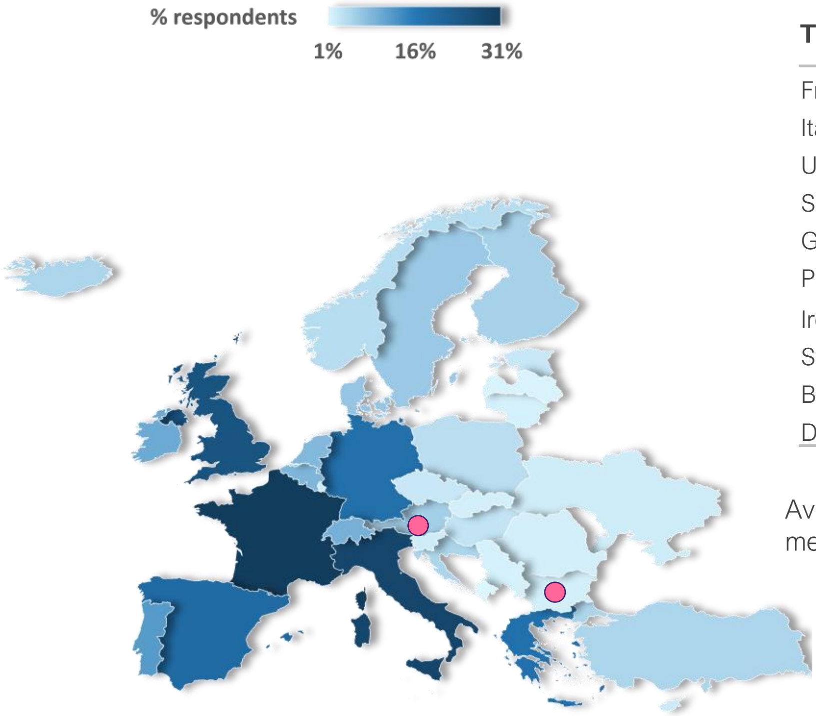


TRAVEL PREFERENCES OF CANADIAN RESPONDENTS

Destination: Europe | Travel horizon: May-August 2023

Europe's rich culture and history are at the forefront of the minds of 44% of Canadians. Interestingly, related experiences hold a greater allure for repeat visitors (52% vs 33% among first-time visitors) and among respondents above the age of 34. Conversely, the younger cohort (18-34 years old) demonstrates a slightly stronger interest in exploring Europe at a more relaxed pace, taking the time to get immersed in the natural surroundings. On average, Canadian travel enthusiasts have mentioned three countries they would like to visit and while air travel remains the primary mode of transportation to move within Europe, this market shows a relatively higher interest in renting a car (29% vs 24% for the total sample), suggesting a desire for flexibility and independence in their European exploration trip.

Preferred destinations



Top 10

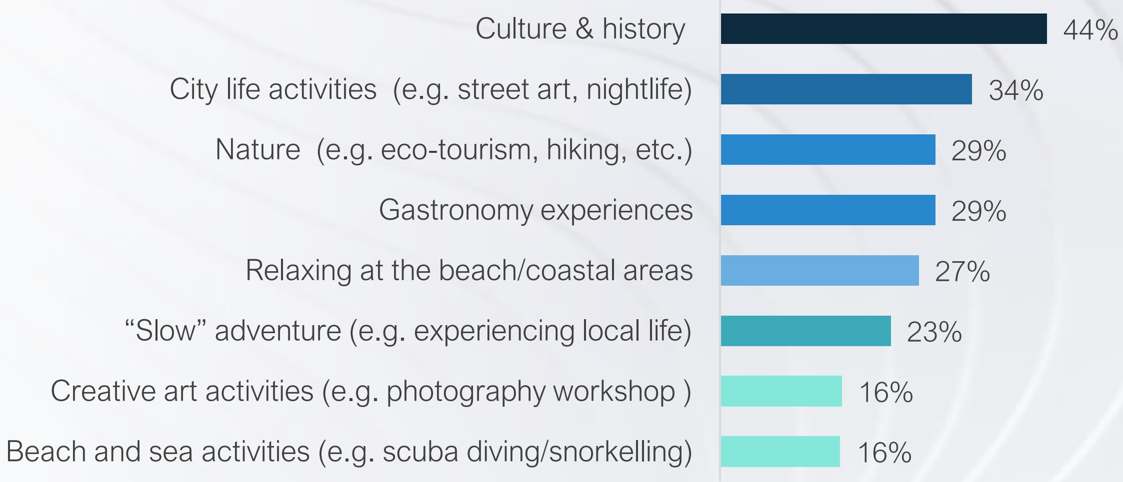
France	31%
Italy	28%
United Kingdom	25%
Spain	19%
Germany / Greece	18%
Portugal	12%
Ireland	10%
Switzerland	9%
Belgium/Netherlands	8%
Denmark/ Sweden	6%

Average number of countries mentioned for the next trip

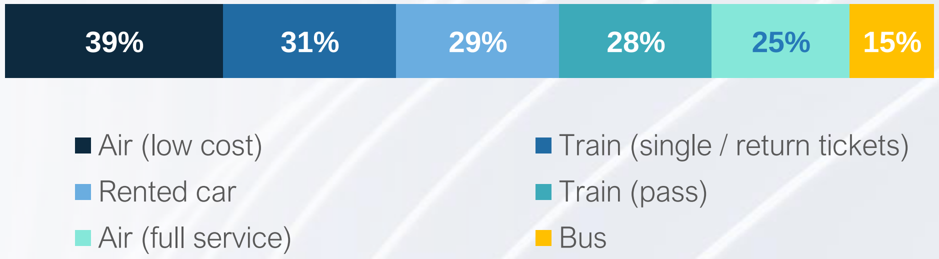
2.8

A significantly lower number of Canadian respondents consider this destination for a trip between May-August 2023 compared to the same period in 2022.

Most wanted types of activities



Preferred transport service to move within Europe



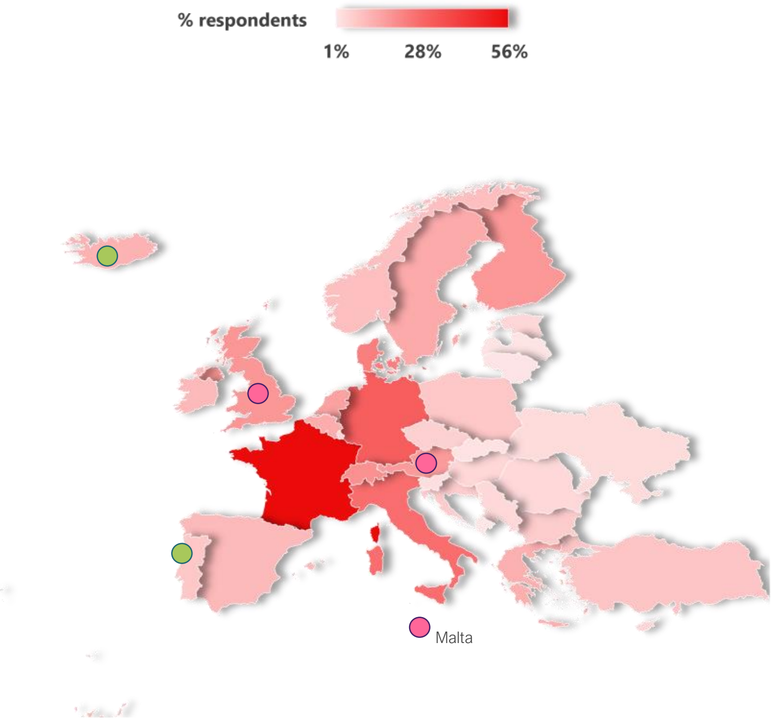
TRAVEL PREFERENCES OF CHINESE RESPONDENTS

Destination: Europe | Travel horizon: May-August 2023

Chinese respondents, irrespective of their previous experience in Europe or age, exhibit enthusiasm for experiencing Europe. The allure of Europe's rich culture and history resonates strongly with the Chinese, but the gastronomic experiences and the vibrant city life of European destinations are also not to be underestimated.

In contrast with the other markets, luxury shopping also features on the list of top activities for the Chinese and aligns well with their chosen destinations, which cater to this interest very well.

Preferred destinations



Top 10

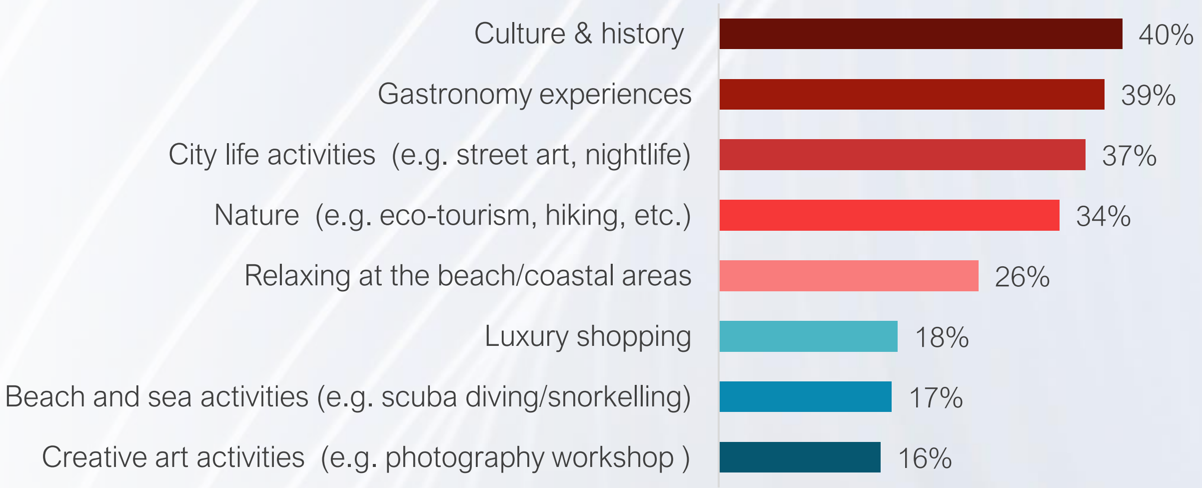
France	56%
Germany	31%
Italy	27%
Denmark	23%
Switzerland	19%
United Kingdom / Finland	18%
Austria	17%
Netherlands	15%
Sweden	14%
Belgium	13%

Average number of countries mentioned for the next trip

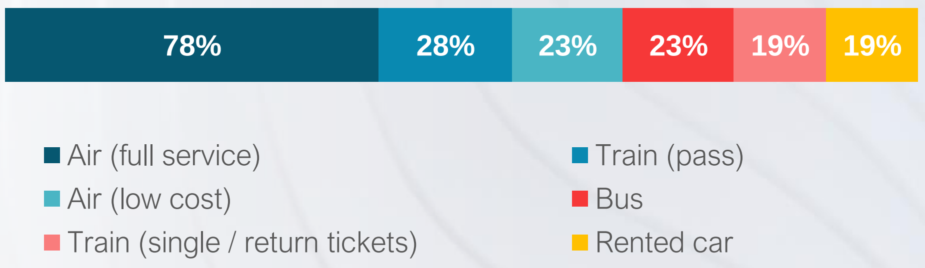
3.9

A significantly higher / lower number of Chinese respondents consider this destination for a trip between May-August 2023 compared to the same period in 2022.

Most wanted types of activities



Preferred transport service to move within Europe



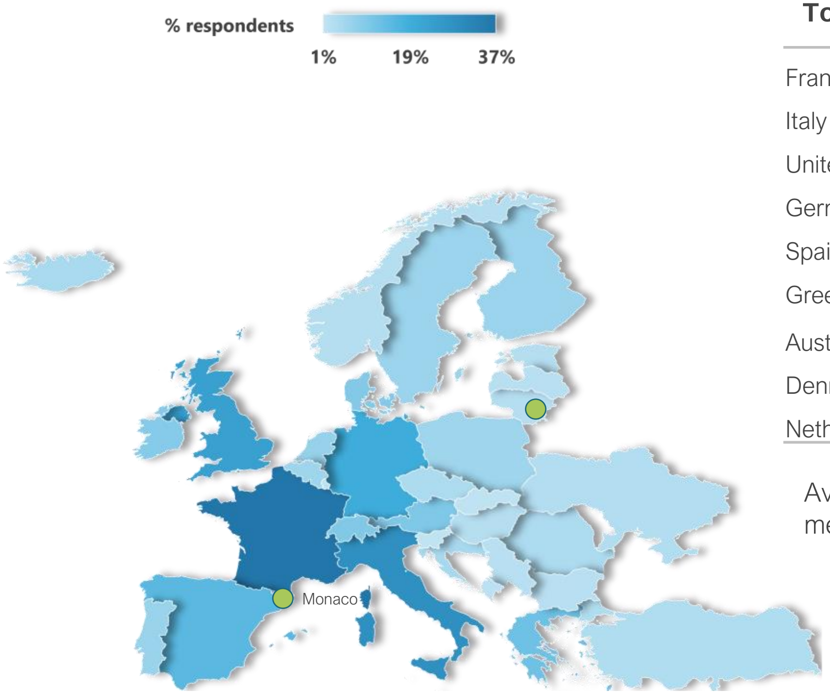
TRAVEL PREFERENCES OF US RESPONDENTS

Destination: Europe | Travel horizon: May-August 2023

On average, travel-enthusiastic Americans have mentioned three European countries they wish to visit in the coming months. The top destinations on their list include France, Italy, and the UK, while the interest in visiting Monaco and Lithuania has increased significantly compared to last summer.

Regarding transportation preferences, full-service flights are the preferred choice for 41% of US respondents. However, there is also a notable interest in purchasing train passes (31%). When asked about their reasons for favouring train travel, Americans most often highlight the good value for money, overall travel time, comfort, and safety that this mode of transportation offers.

Preferred destinations



Top 10

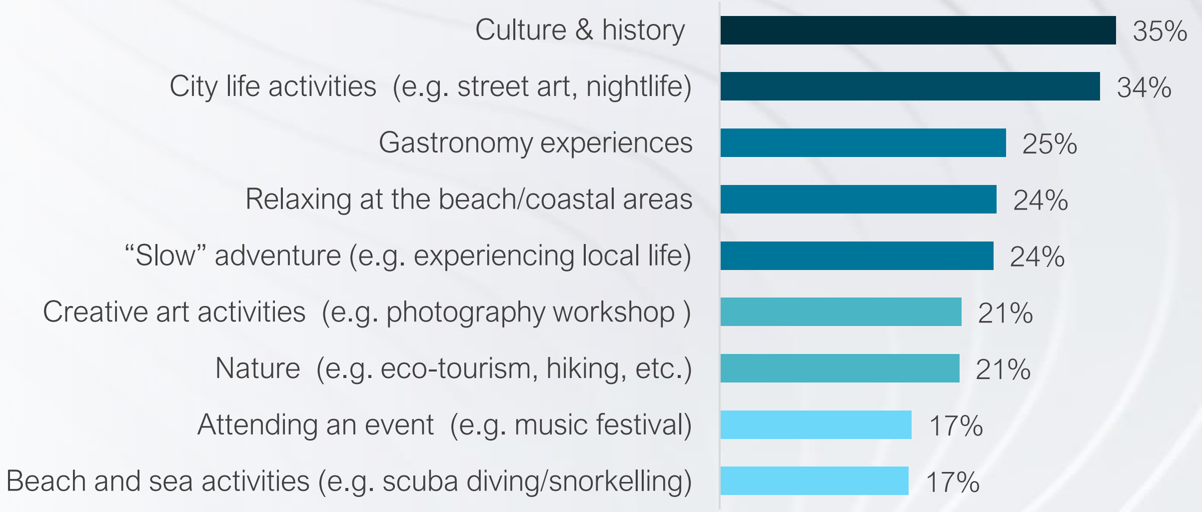
France	37%
Italy	28%
United Kingdom	23%
Germany	19%
Spain	15%
Greece	12%
Austria / Switzerland	10%
Denmark / Ireland	9%
Netherlands	7%

Average number of countries mentioned for the next trip

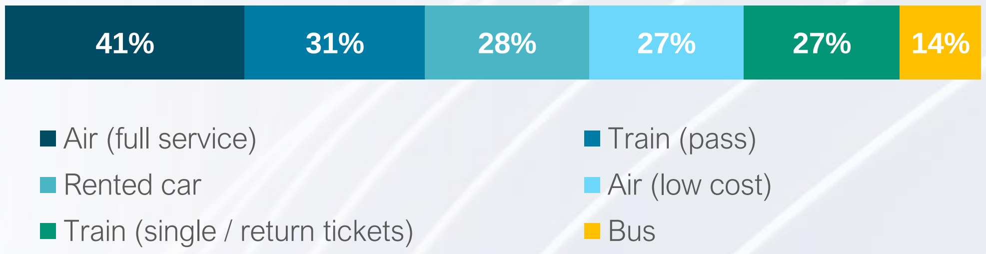
2.9

A significantly higher number of US respondents consider this destination for a trip between May-August 2023 compared to the same period in 2022.

Most wanted types of activities



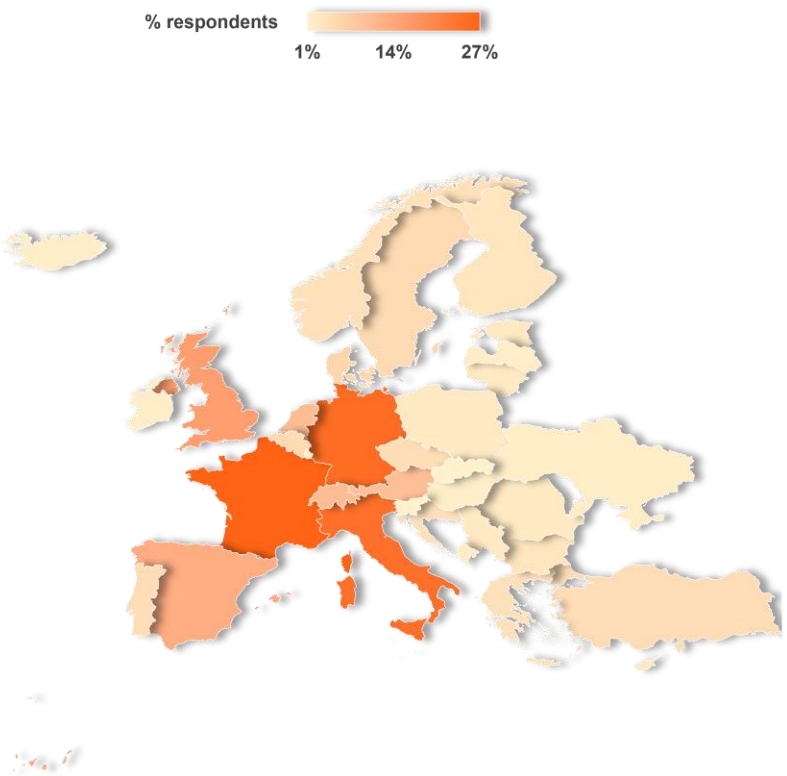
Preferred transport service to move within Europe



TRAVEL PREFERENCES OF JAPANESE RESPONDENTS

Destination: Europe | Travel horizon: May-August 2023

Preferred destinations



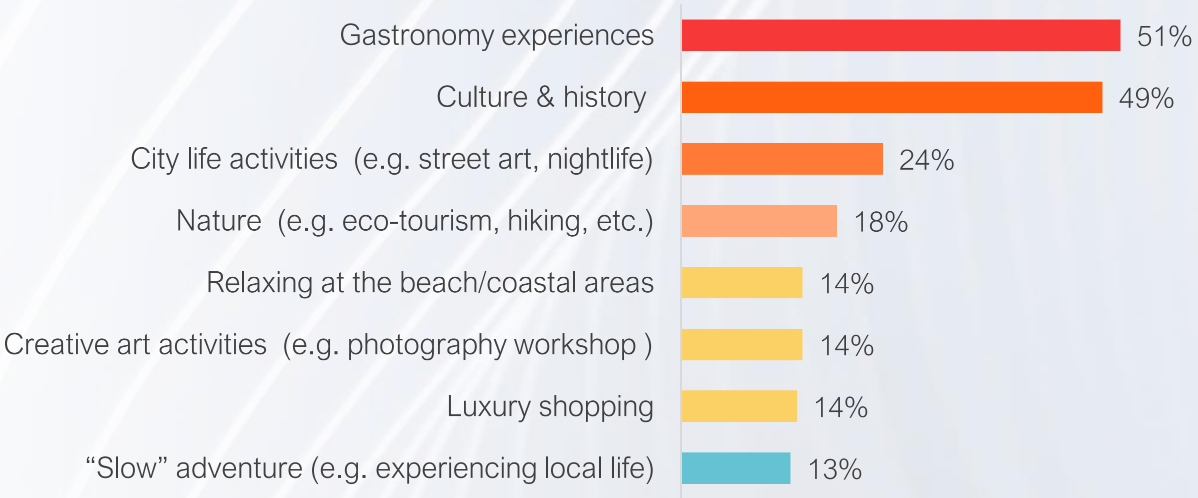
Top 5

France	27%
Germany	25%
Italy	24%
United Kingdom	16%
Spain	13%

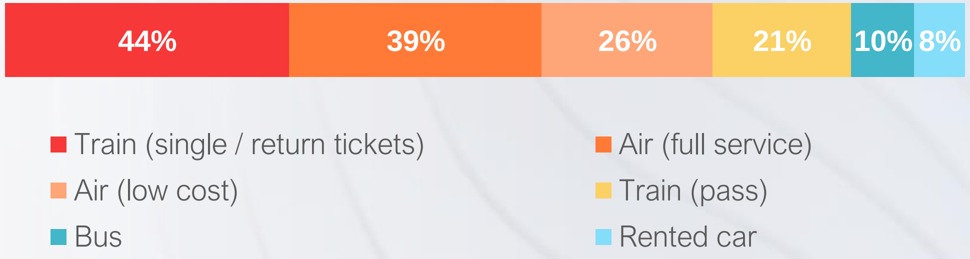
Average number of countries mentioned for the next trip

2.8

Most wanted types of activities



Preferred transport service to move within Europe



The graphs on this slide are based on a very small sample size n=145. As such, they are not representative of the Japanese travel market and should not be used as indicative of the trends in this market.

Sample: respondents wishing to visit Europe (n=92). The small sample size limits the accuracy of the outcomes. The analysis is left in this for monitoring-over-time purposes.

LONG-HAUL TRAVEL BAROMETER

BECOME A PROJECT PARTNER!

The primary goal of the project is to anticipate short-term travel intentions in long-haul markets that are key for the European tourism industry.

This initiative offers interested partners the opportunity to investigate in detail the motivations and barriers to travel in long-haul source markets and ask specific questions relevant to the present context.

Contact us if you are interested to learn more about the project and the cooperation opportunities.

Co-funded by the European Union