



PURSUING NEW TOURISM MARKETS

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FIVE TRENDS AFFECTING THE TOURISM INDUSTRY

- **Environmentally friendly destinations.** New tourism is about caring for the social, cultural and cultural resources of the destination that is being visited.
- **Tourist are trading down as opposed to trading out.** The need for a vacation is still very important for most people. People are shopping for the best vacation deal, flying coach as opposed to business or first, regular hotel rooms as opposed to suites.
- **Tourist are more Internet savvy.** Use of the Internet to compare, use of social media to get feedback from other people. (Twitter.com, Facebook.com, TripAdvisor.com, Flickr.com)
- **Booking windows have changed.** People are booking their vacations at the last minute, waiting for last minute specials.
- **Service is important.** Service is a very critical part of a vacation.



Marketing Research

- Execution of economic, social, environmental and marketing research relating to tourism in the Caribbean.
- Research about new and emerging markets, niche markets and outbound tourism flows



CHINA

- 1.3 billion people
- Fastest GDP of any nation
- The Yuan (China's currency has become a hard currency with its own right and Chinese are benefiting from access to better jobs and higher wages
- 12 million Chinese traveled overseas in 2001
- 40 million people traveled abroad in 2008, expectations of 70 million travelers by 2012 and 100 million travelers by 2020
- The Approved Destination Status (ADS) was created in 1997 and paved the way for countries from around the world to promote their destinations in China



China's Market Characteristics

- Affluent middle class whose desire for goods and experiences is growing and so is their taste for experiencing cultural destinations and shopping
- One child policy gives more possibilities for families to have the disposable income to travel
- 15-24 age group, also referred as Generation Y, represents about 16% of the Chinese population. This group faces a very different environment to their parents as the economy moves towards capitalism and starts shedding its socialist state mentality. Many are only children –because of the one child policy- and are individualistic, adventurous and highly susceptible to Western influences. For this age group travelling is highly aspirational.



China's Market Characteristics

- Generation X, aged between 28-42 years old, who dominate China's population. Representing a quarter of the country in 2008, they form part of the growing middle class population. Generation X aspires to a better life, and works hard so they can enjoy a rich and varied lifestyle.
- China's outbound travelers are comprised mostly in the 20-39 age group, of well educated, working professionals.
- Chinese travelers are "shopaholics", they buy good for themselves as well as friends and family.
- For long haul trips the average stay is 13 to 15 days
- The Internet plays a very important role as to getting references and information about destinations and tourism products. Ctrip.com is the most important and largest Chinese e-commerce travel portal
- Travel agents are an important source of advice prior to booking and for bookings. They offer assurance and advice regarding visas and deposits as well as lead tour groups.



RUSSIA

- In 1991 the fall of communism open the doors for Russians to the outside world and they were able travel to democratic countries for the very first time
- Population of 142 million people
- Highest proportion of Russian live in Moscow and St. Petersburg which accounts for 10./5% of the population
- By 2050 Russian population will have dropped to 109 million people



Russia's Market Characteristics

- Russian visitors are very inclined to stay in the best hotels and prefer sun and sand destinations . They also shop for designer goods overseas
- Reports about Tourism Expenditure by Russians estimated that Russia ranks as the ninth country in terms of total global outbound expenditure.
- The average middle class consumer is inclined to at least one holiday a year
- According to GLOBAL REFUND, a company which monitors retail spending by travelers in domestic and airport stores in Europe, Asia and the Americas – Russians were the highest spending nationality in 2005, ahead of US citizens in second place and Japanese in third place



Russia's Market Characteristics

- The main sources of information for Russians when planning a trip are the Internet, word of mouth and travel agents
- Russians are late bookers, which is probably why they prefer traveling to countries that are visa-free or that provide visa on arrival
- According to various country studies of Russian tourists, the age group most likely to travel is the 25 to 54 age segment which at the moment represent 63 million people
- Russia has a small emerging middle class, the vast majority of whom reside in Moscow and St. Petersburg and whose average income is about \$8,000.00 a month



Russia's Market Characteristics

- Another important segment of Russian tourists are young professionals. Aged between 20 and 30 years old. This is a segment usually employed by multinationals, as well as Russian conglomerates. Their average salary is between \$1,200.00 to \$3,500.00
- There is another group called the “upper income” comprising about 1.5 million people with an average salary of \$4,000.00 a month making them affluent by Russian standards
- There is a group of 500,000 to 1 million “golden youth” or individuals between the ages of 18 to 25 years old who were very likely educated abroad, predominantly in the UK



Russia's Market Characteristics

- There is also a group of about 100,000 millionaires between the ages of 32 to 45 years old, who spend their wealth on designer goods, five star hotels or prefer the privacy of private villas. Most of them reside in Moscow and spend an average of 2,250.00 on accommodation.
- In terms of seasonality the main vacation periods for Russians are over Christmas and the New Year.
- As to tour operators and travel agencies, during Soviet era there were only 3 travel agencies in Russia all of which were state-owned. Today there are over 12,000 travel agencies and 5,000 tour operators, all of which are privately owned



JAPAN

- Japan is the world's second largest economy. It has a population close to 128 million people and ranks as the tenth most populous country in the world. Japan's population is expected to shrink to 100 million people by 2050.
- In the case of Japan long haul travel has fallen due to the economic recession. They are still traveling, however they are visiting less expensive destinations in the Far East and Southeast Asia



Japan's Market Characteristics

- The Japanese outbound tourism market is the world's fourth largest after Germany, the USA and the UK according the World Tourism Organization. Japanese travelers made 17.4 million outbound trips in 2005.
- Most Japanese have some understanding of English but find pronunciation too difficult and this along with other cultural inhibitions they encounter can make communication abroad a bit difficult
- The prime source of Japanese outbound are the residents of Kanto, which include the capital of Tokyo. In 2003, 6.2 million individuals from this region traveled for overseas destinations. Other regions for important outbound travel are Okinawa, Shikoku and Chugoku.



Japan's Market Characteristics

- Most Japanese travelers fell into the 30-39 age category, although according to the Japan Tourism Marketing Company, their recommendation is to target men and women over 50 years old who have the income to travel, seniors over 60 years old who not only have the money but also the time. They also recommend to target women in their 30s which is an affluent segment.
- Japan has one of the most evenly distributed outbound travel markets in the world. They basically have no high season or low season
- They tend to generally go on vacation for over a week (8.2 days) a trend that has remained unchanged since 1997.



Japan's Market Characteristics

- Japanese are strongly motivated by destinations with scenic, natural attractions, history and the culture of the country they are visiting. They also like shopping during their vacation.
- “Gourmet Sampling” is the one of top activity of Japanese tourists
- In 2005 about 35% of all outbound trips were book on the Internet and about 31% were booked through a travel agent
- There are 800 registered tour operators in Japan with the top 12 representing 76% of the outbound travel market. There are about 11,000 travel agencies as well.



Strategies to Capitalized on Tourism Flows from Emerging Markets

Entry Requirements: VISA

- Many developed nations have programs which waive the requirements for visa for short term stays for tourism
- Visas are a barrier since they take time to obtain and can be expensive and the location of consulates or visa granting offices can be an important factor in choosing a destination



Strategies to Capitalized on Tourism Flows from Emerging Markets Cultural Understanding

- Signage
- Availability of interpreters and tour guides with a good language and cultural knowledge
- Understanding of food, religious preferences, differences in timing of the meals



Strategies to Capitalized on Tourism Flows from Emerging Markets

Cultural Understanding

- Menus need to be revised to meet the needs of the various visitors from different countries
- Sensitivity to promotional campaigns for example presenting a beach resort on a flyer with a woman in bikini is disrespectful in many Muslin countries, flyers with trees in front of a building have a bad “feng shui” to many Chinese, etc
- Engaging a marketing specialist for a particular target region may be an effective strategy



Strategies to Capitalized on Tourism Flows from Emerging Markets

Airport

- Signage in different languages
- Concierges or customer service representatives that speak different languages
- PA system employees must make announcements in different languages



Strategies to Capitalized on Tourism Flows from Emerging Markets

National Tourist Office

- Information hotline
- Support for Tour Operators and Travel Agents
- Liaison with the Media

