

LONG HAUL TOURISM

The EU market for adventure travel

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Report summary

This CBI market survey discusses the following highlights for the EU market for adventure travel:

- Outdoor tourism, largely adventure, makes up at least one-fifth of the global tourism industry. According to the Adventure Tourism Travel Association, adventure travel is the fastest growing segment of the tourism industry.
- In general, an adventure traveller is aged between 41 and 60, married and has children under 18. 52% of adventure travellers are women.
- To take advantage of the continuing trend for shorter breaks, adventure tourism suppliers in developing countries should consider exploring ways of offering a greater portfolio of adventure trips that can be enjoyed over a long weekend.
- Adventure tourism service providers in DCs are recommended to target specialised tour operators.
- Trade fairs, trade press, familiarisation trips and the Internet are the most important tools to reach target groups.

This survey aims to provide tourism suppliers of adventure travel in developing countries (DCs) with product-specific market information related to gaining access to the EU market. By focusing on these EU markets for adventure travel, this document provides additional in-depth information, complementary to the more general information and data provided in the CBI market survey 'The long haul tourism market in the EU', which can be downloaded from <http://www.cbi.eu/marketinfo>.

Detailed information on adventure travel is given in appendix A. This survey discusses the EU in general and the following markets in particular: France, Germany, Spain, Sweden, the UK, and the Netherlands.

1 Market description: adventure travel in the EU**Adventure travel market**

Determining the size and scope of the adventure travel market is difficult, due to a lack of empirical research. Outdoor tourism, largely adventure, makes up at least one-fifth of the global tourism industry. In 2000, the international adventure tourism market was estimated at between 4 and 5 million trips, representing about 7% of all international trips taken during that year. The average expenditure in that period on adventure travel holidays was €1410 per person. According to the Adventure Tourism Travel Association, adventure travel is the fastest growing segment of the tourism industry. According to a survey, roughly 69% of the survey participants in 2006 showed that they planned on taking an adventure holiday in the future. According to the 2001 Mintel Report on the European Adventure Travel Market, the adventure side of the package tourism business in Europe accounts for approximately 25% of total package sales. This indicates that, excluding domestic travel, the total size of the European adventure travel market is some 443,000 holidays per year. World tourism was forecasted to grow by 4.6% in 2006 and by 4% for 2007. There is a recent trend towards seeking deeper, more profound experiences, such as white water rafting, mountain biking, hiking and kayaking. Adventure experiences are enriching in ways that destination resorts are not. It is often more uplifting and educational to visit places in which you are a participant and not merely lounging about.

Growth regions

Analysts expect to see growth in tourism, including adventure travel, in the following regions:

- Asia Pacific, particularly,
 - Northeast Asia: China, Hong Kong, Macau, Taiwan, Mongolia
 - Southeast Asia: Malaysia, Cambodia
 - South Asia: India, Pakistan, Bhutan
- The Americas
- North Africa, where travel increased by 11% in 2004 and East Africa, where travel increased by 24% in 2004.

For information on the outbound long haul tourism market of individual EU countries, please refer to the CBI country surveys for long haul tourism. These surveys can be downloaded at <http://www.cbi.eu/marketinfo> - go to search CBI database.

Market segmentation

Different tourism products appeal to different types of tourists. The adventure tourism market is not homogenous and different types of activities will appeal to different types of adventure tourists. For an overview of adventure activities, please refer to Appendix B. Adventure travel activities can be divided into four segments¹:

- Soft Nature
- Cerebral Pursuit
- Question Marks
- Expedition Discovery

Soft Nature

Activities in the Soft Nature segment strongly relate to physical activity and outdoor challenge. Activities include canoeing, camping, hiking, climbing, backpacking, kayaking and cycling. These types of activities require a certain level of physical fitness and skills. Although there are exceptions, the majority of these activities take place in a natural environment or setting.

Cerebral Pursuit

Activities in the Cerebral Pursuit segment relate to education, culture and reduced physical challenge. Activities include visiting historical sites, educational programmes, cultural activities, walking tours, bird watching, environmentally sustainable activities and eco tourism. These activities place less emphasis on physical involvement and focus more on learning and discovery. Although some are nature or environment focused (bird watching, eco tourism), some involve a variety of man made settings (visiting historical sites).

Question marks

Most of these activities are questionable in terms of fitting into the adventure travel category, such as hunting, skiing, snorkelling and sailing.

Expedition Discovery

Activities in the Expedition Discovery segment relate to research expedition and safaris and are characteristically associated with adventure. Both research expeditions and safaris are activities that typically involve a greater than normal amount of time and distance. Remote or unique locations provide conditions where challenge, novelty and discovery are part of the experience simply by the nature of the location (e.g. Africa and Antarctica).

Specific strategic action suitable for a particular destination will vary according to how the destination is perceived and which adventure activities can be done. Travellers have more and more choices available to select from. It is becoming very important for tourism suppliers to continually explore the preferences of their target market to gain a competitive advantage.

¹ Schneider, Paige, Vogt, Christine, and Smith, Sandi, 2006, *Segmenting the Adventure Travel Market by Activities: An Extension of Sung, Morrison, and O' Leary*. – <http://www.xolaconsulting.com>

Overlap of adventure travel with other aspects of tourism

Adventure travel overlaps with many other aspects of tourism. Sometimes adventure travel may be undertaken by tourists who have purchased a specialist package, such as a paragliding holiday, with the specific objective of being active and adventurous. Equally, there are tourists who engage in adventurous activities as part of the activities that focus on wildlife watching and for whom adventurous activities are an added attraction but not necessarily their main motivation. Adventure travel can also overlap with ecotourism, which is a form of tourism based on the principles of making an active contribution to the conservation of the natural and cultural heritage. Adventure travel has links with a wide range of different types of tourism and tourists participate in this activity for many different reasons. Tourism is highly dynamic and recent years have seen a blurring between various types of tourism. For example, a family taking a typical mass tourism package holiday to a beach resort may engage in a whole range of different adventurous activities and wildlife watching activities from mountain biking to whale watching. The money to pay for the trips will contribute to the local economy and to jobs and businesses that depend on conservation for their survival.

For information on the EU market for wildlife travel, please refer to the CBI product survey for wildlife travel. For information on the EU market for community based tourism in individual EU countries, please refer to the CBI product survey for community based tourism. These surveys can be downloaded from <http://www.cbi.eu/marketinfo> - go to search publications.

Profiling the adventure traveller

The following general adventure travel consumer demographic profile can be formulated:

- 52% are female,
- the greater part is aged between 41 and 60,
- the greater part is married,
- the greater part has children under 18.

Adventure travellers tend to be active both in their community lives and their travel lives. This suggests that they are willing to commit time and resources to organisations they believe in. Increased awareness of sustainable tourism suggests consumers will seek tourism suppliers offering sustainable tourism.

The typical adventurer is a mix of women, families and the so-called 'mature' traveller. These are educated professionals over the age of 40. It is important to note that, contrary to what is expected, young men are not the typical adventure traveller, as they are too independent and do not have much money.

Women are becoming an increasingly important group of adventure travellers. Nowadays, 52% of adventure travellers worldwide are women. Regardless of whether they have a male partner, they are travelling more frequently without men. This has given rise to an increasing number of women-only tours, holidays and retreats incorporating adventures of all kinds and including pampering, relaxation and sometimes shopping. The number of women-only travel companies has increased by 230% since 2002.

Families are looking for family experiences that take them away from the distractions of modern life. It is increasingly becoming an attraction to them to have no mobile phones, no electricity to power gadgets and no connection to the Internet. Families are also keen to incorporate topics that support what their children are studying at school, such as Mayan ruins or culture, coral reefs and rainforests. Multi-generational trips are also increasing in popularity. This means that the trips are attractive for children as well as for their grandparents.

Baby boomers and elderly people are also increasingly becoming an important target for adventure travel. There is an increasing group of cash-rich, reasonably fit elderly people. Special tour operators targeting this group exist, such as Tailormade expeditions (<http://www.tailormade-expeditions.nl>) and Adventure 50 Plus (<http://www.adventure50plus.nl>).

Groups are always small for adventure activities. Diving trips, for example, usually need at

least 10 people to break even, but fewer than 25 for safety and aesthetic reasons. Most river trips are capped at 25, while backpacking and fly-fishing trips, where solitude is important, will be half that size or even smaller.

General adventure travel profile

This section will discuss the general profile of the adventure traveller in the Netherlands, France, Germany, the UK, Spain and Sweden. This information is based on interviews with tour operators in the countries under discussion.

General discussion Dutch adventure travel

The Dutch adventure traveller has an increasing interest in the following countries: Southern Africa, Costa Rica, Thailand, Antarctica, Chile and Argentina (Patagonia) and Ecuador. Iran is an upcoming destination as well. The most popular activities are trekking, mountain biking and rafting. Safaris are still very popular. In general, Dutch adventure travellers are couples, aged between 35 and 55, are highly educated and have a higher than average income. However, it is becoming a trend to go on adventure travel with the family, including the grand parents. As a result, there is a demand for adventure activities targeted at the whole family, including all age groups.

General discussion French adventure travel

Exotic destinations have an increasing appeal to the French adventure traveller. Countries mentioned by experts are China, Japan, Brazil, Tanzania, Indonesia and Turkey. Although the preferred activities depend on the destination – for instance, you can go dog sledding in Finland but not in South Africa - many French adventure travellers like to go hiking and kayaking. In general, French adventure travellers are aged between 40 and 65, both men and women and have a higher income. An increasing number of families (parents with two children aged above 8) are interested in adventure travel. The French are increasingly interested in group travel.

General discussion German adventure travel

Brazil, India and China are popular among German adventure travellers. Many German adventure travellers like to go hiking and kayaking during their holiday. Safaris are popular as well. In general, German adventure travellers are aged between 35 and 65, both men and women and have a higher than average income. An increasing number of retirees are interested in adventure travel. These retired people enjoy good health and are willing to spend quite some money on their holidays.

General discussion British adventure travel

The British adventure traveller has an increasing interest in Thailand and Malaysia. India is also a very popular destination. British adventure travellers increasingly like to go cycling during their holidays and in 2006 2.25 million holidays taken by the British included some kind of cycling adventure. Other popular activities include trekking and rafting. In general, British adventure travellers are couples, aged between 30 and 55, are highly educated and have a higher than average income. An increasing number of families are interested in adventure travel. This means that the package must appeal to both grown-ups as well as children.

General discussion Spanish adventure travel

Spanish speaking countries, such as Chile and Argentina (Patagonia) are very popular among Spanish adventure travellers. Nepal is also a popular destination. Spanish adventure travellers like to go trekking during their holidays. It is difficult to give a general overview of Spanish adventure travellers, as they come from all age groups, are both men and women, married and single and so on. However, in general Spanish adventure travellers are aged between 30 and 60. Families are not very interested in adventure travel.

General discussion Swedish adventure travel

Thailand is a popular country for Swedish adventure travellers. Easy access to the country is important to the Swedish. This means, among other things, that it should have a good airport

connection. More and more Swedes like to go surfing during their holidays. Other popular activities are trekking, rafting and skiing. In general, Swedish adventure travellers are aged between 25 and 40, but an increasing group of retired people is interested in adventure travel. As adventure travel is expensive, it is necessary to have a good income to enjoy adventure travel. Family adventure travel is not popular yet among the Swedish. Families prefer to go on a beach holiday.

Trends

This section will discuss the major trends that influence adventure travel.

Changing role of the Internet

The Internet has led to a significant change in the way in which customers find out about and purchase an adventure holiday. This use of the Internet is threatening the role of both retail travel agents and tour operators. Tour operators in particular have fought back, using the Internet as a marketing tool to compete with aggressive transport principals, notably low-cost airlines such as EasyJet and RyanAir, which currently make a very high proportion of their sales through the Internet.

Increasing demand for luxury adventure travel

There is a trend towards luxury adventure travel, which leads to the so-called 'done-in-a-day' phenomenon. Once the day's activity is done, travellers return to the most upscale accommodations available to unwind and enjoy exceptional dining. Furthermore, the level of luxury available in adventure tours is continuing to increase. For example, backpacker busses are more comfortable. Many successful adventure tour operators are continuing to move up-market.

Change of the perception of adventure holidays

In the last few years, the commercial adventure tourism sector has continued to grow. Many cash-rich, reasonably fit people now treat adventure activities as purchasable short-term holidays, rather than as lifetime personal investments in skills and equipment. This has led to an expansion at both the low-skill and high-skill end of the adventure sector.

Increasing number of adventure destinations

The number of tourist destinations marketing themselves specifically as an adventure destination has greatly increased recently. Some of these are long-standing tourist destinations that have added new products or changed their marketing strategy. Others are small-scale destinations seeking to develop tourism through a portfolio of adventure products. Some also use adventure events as destination marketing tools. Adventure events are growing rapidly in number, scale and variety.

Increasing demand for shorter breaks

There is increasing demand for shorter breaks. Adventure trips which can be done in a day or enjoyed over a long weekend are growing in demand.

Environmental responsibility

Travellers are becoming more environmentally responsible and asking airlines, hotels and tourism suppliers to become so as well. Sustainable tourism attempts to make a low impact on the environment and local culture, while helping to generate income and employment for locals, as well as to promote the conservation of local ecosystems. So-called 'sustainable travellers' are willing to spend 10% more on average on travel services and products provided by environmentally responsible tourism suppliers.

An increasing number of tour operator and NGOs are blending adventure tourism with initiatives aimed at improving social and environmental problems. Examples are Explorandes (<http://www.explorandes.com>) and Global Sojourns (<http://www.globalsojourns.com>).

The CBI market survey 'The EU Market for Community-Based Tourism' contains this discussion

at a European level. This survey can be downloaded from <http://www.cbi.eu/marketinfo> - go to search publications.

Increasing group travel

Group trips are on the rise. People want to do something memorable and travelling as a group together to go somewhere is how they are increasingly building their memories for weddings, birthdays and anniversaries.

Insurance

Because of litigation, adventure tourism providers have become increasingly concerned over issues, such as potential liability. This has led to increasingly lengthy and complex pre-trip waivers and disclaimers, as well as much-increased insurance premiums. This has in some countries simply driven former suppliers out of the market. With reduced competition, remaining operators have increased prices so as to cover increased insurance costs. Liability-capping legislation is increasingly important for the future of the industry.

Opportunities and threats

Trends and market developments offer opportunities and threats to DC tourism suppliers. A given trend can be a threat to some and an opportunity to others at the same time. Therefore, the following opportunities and threats should always be analysed in relation to your specific circumstances.

- + Adventure travel is the fastest growing segment of the tourism industry.
- + A growing number of adventure travellers use the Internet as a source to choose a destination or book a holiday. Making a website is a relatively cheap promotional tool. With little money an increasing number of potential adventure travellers can be reached. This means that having a website, or listing products and services in other third party websites is very important for DC operators.
- + There is an increased interest in destinations in China, Taiwan, India and the Philippines. European adventure travel operators offering trips to these areas may seek to strengthen or build new relationships with strategic partners in these regions.
- The potential liability of adventure tourism suppliers puts pressures on the costs and can drive suppliers out of the market.

Please refer to chapter 5 of the CBI market survey covering the long haul tourism market in the EU for more information on opportunities and threats. This survey can be downloaded at <http://www.cbi.eu/marketinfo> - go to search CBI database.

Useful sources

- Adventure Travel News - <http://www.adventuretravelnews.com>
- Adventure Travel Site - <http://www.adventure.travel>
- Adventure Travel Trade Association - <http://www.adventuretravel.biz>
- Mintel Oxygen - <http://oxygen.mintel.com> – European Adventure Travel Market
- Tourism Intelligence Network - <http://tourismintelligence.ca>
- Xola Consulting - <http://www.xolaconsulting.com> – Business Consulting Services for the Adventure Travel Industry

2 Trade channels for market entry

Trade channels

Holidays and trips can reach the final consumer in various ways. The trade channels for the long haul tourism market are inbound tour operators (local agents), outbound tour operators and travel agencies. Besides consumers who will book at tour operators and travel agencies, there is a small group who will turn to modular self arrangements for travel and shop around for best buys. This section will only discuss the tour operators who specialise in adventure travel. The other important trade channel 'inbound tour operators' is discussed in further detail in the CBI country surveys on long haul tourism. Tour operators who dominate smaller markets, specific destinations or activities are so-called specialised tour operators and are

usually small or medium sized. Tourism service providers in DCs are recommended to target specialised tour operators. Specialised tour operators use both their own network and travel agencies for selling and most of their clients are individuals. Many tour operators offer a portfolio of products at different destinations. They do not necessarily maintain an operational base at each of the destinations concerned. Most are retail packages which are sold by a range of local tour operators to an international clientele. There are also tour operators who offer similar products or activities at multiple destinations. Table 2.1 shows examples of adventure tour operators in the Netherlands, France, Germany, the UK, Sweden and Spain.

Please refer to the CBI EU survey and country surveys on long haul tourism for a discussion of trade channels for long haul tourism in general. These surveys can be downloaded from <http://www.cbi.eu/marketinfo> - go to search publications.

Table 2.1 Examples of adventure tour operators in the Netherlands, France, Germany, the UK, Sweden and Spain.

Country	Tour operator	Website
The Netherlands	Baobab	http://www.baobab.nl
	Djoser	http://www.djoser.nl
	Duende Tours	http://onejungle.com
	GoMagma	http://www.gomagma.nl
	Koning Aap	http://www.koningaap.nl
France	Sawadee	http://www.sawadee.nl
	Shoestring	http://www.shoestring.nl
	Atalante	http://www.atalante.fr
	Aventuria	http://www.aventuria.com
	Nomade	http://www.nomade-aventure.com
Germany	Terres d'Aventure	http://www.terdav.com
	Voyageurs du Monde	http://www.vdm.com
	Abenteuerteam	http://www.abenteuerteam.com
	Contrast Getaway	http://www.contrastgetaway.de
	Die Zugvogel	http://www.abenteuerurlaub-online.de
UK	Frosch Sportreisen	http://www.frosch-sportreisen.de
	GoXplore	http://www.goxplore.de
	Moja Travel	http://www.moja-travel.net
	Sigl Erlebnisreisen	http://www.erlebnisreisen-weltweit.de
	Sivali	http://www.sivalitour.com
Sweden	Explore	http://www.explore.co.uk
	Discover the World	http://www.discover-the-world.co.uk
	On the Go Tours	http://www.onthegotours.com
	Safari Consultants	http://www.safari-consultants.co.uk
	Inventus	http://www.iventustravel.se
Spain	Jambo Tours	http://www.jambotours.se
	Kenzan Tours	http://www.kenzantours.se
	Penguin Travel	http://www.penguin.se
	Tour Africa	http://www.tourafrica.se
	XTravel	http://www.xtravel.se
Spain	Ikarakorum	http://www.ikarakorum.com
	Viajes de Aventura	http://www.viajeaventura.com
	Viajes Sanga	http://www.vsanga.com
	Viajes Tuareg	http://www.tuaregviatges.es
	Ko Samui	http://www.ko-samui.com

Source: Facts Figures Future (2008)

Specialist tour operators who serve the adventure holiday market are somewhat less vulnerable than those who serve, for example, the specialist city break sector. This is because it is more difficult for travellers to adopt a Do-It-Yourself approach to the creation of an adventure holiday package, which requires much more organisation.

Selection by European tour operators

There are 2 crucial conditions which DC adventure tourism suppliers must meet before being selected by European tour operators:

1. They need to empathise with the demands of European tour operators, especially in the field of communication (fluency in English and reply to e-mails within 24 hours);
2. They need to have a clear understanding of the end-consumer and the level of service it expects (clean accommodations, well-functioning transport, receiving customers at the airport, and so on).

Source: interviews Facts Figures Future (2008)

Commissions

For an overview of the commissions of travel agents and tour operators, please refer to Table 2.2. These percentages are only an indication and may fluctuate per organisation.

Table 2.2 Commissions travel agents and tour operators

Country	Margin travel agent	Margin tour operator
France	12-17%	20-30%
Germany	13%	20-30%
The Netherlands	5-10%	20-30%
Spain	10%	20-30%
Sweden	10%	20-30%
UK	10%	20-30%

Source: Facts Figures Future (2008)

Selecting a suitable trading partner

There are many ways of finding potential trading partners in Europe. In this section, the focus will be on country specific sources, the Internet and sources in your own country. Please refer to Section 4 for the main sales promotion tools.

Country specific sources

- Adventure Travel Trade Association - <http://www.adventuretravel.biz> – click on ‘members’.
- Aitco - <http://www.aito.co.uk> – gives an overview of British adventure travel tour operators - click on ‘holiday themes’, click on ‘Adventure’ and on ‘list of tour operators that offer this’.
- Avontuurlijke Reizen - <http://www.avontuurlijkereizen.nl> – gives an overview of Dutch adventure tour operators – click on ‘Reisorganisaties’.
- Responsible Travel - <http://www.responsibletravel.com> – click on ‘Adventure holidays’ for an overview of British adventure travel tour operators.
- Swedish Travel Agencies Association - <http://www.srf-travelagent.se> – click on ‘List of members’ for an overview of Swedish tour operators. Some of these tour operators offer adventure travel.
- Tourisme Autrement - <http://www.tourisme-autrement.com> - click e.g. on ‘Trekking et randonnee’ or ‘Destinations exotique’ for an overview of French adventure travel tour operators.
- VPR - German association for International Touroperators - <http://www.vpr.de> – click on ‘mitglieder’ and then on ‘ordentliche’ for an overview of German tour operators. Some of these tour operators offer adventure travel.
- Webviajes - <http://www.webviajes.com> – gives an overview of Spanish tour operators (mayoristas) and travel agencies (minoristas).

Please refer to the CBI country surveys on long haul tourism for an overview of country specific sources. These surveys can be downloaded from <http://www.cbi.eu/marketinfo> - go to search publications.

Internet

Some examples of available general sources to find clients:

- Europages – <http://www.europages.com> – Click on ‘Travel, Tourism and Leisure’.

- Kellysearch - <http://www.kellysearch.com> - Type 'Leisure and hospitality' in the Find It box and select Europe.
- Kompass – <http://www.kompass.com> - The free part is useful in finding tour operators; the website of the company is also listed.

Your own (DC) country

Some examples of sources which may be available in your own country:

- Diplomatic and consular representatives. These can be found at <http://www.embassyworld.com>.
- The consul of your country in the target country
- Public and private trade promotion bodies

Moreover, for Indian adventure tourism suppliers it might be wise to join the Adventure Tour Operators Association of India - <http://www.indianadventure.com>. Similar associations are the Mexican association of adventure travel and ecotourism – <http://www.amtave.org>, the Brazilian association of adventure travel - <http://www.abeta.com.br> and the Peruvian association of adventure travel and ecotourism - <http://www.aptae.org>.

Youth adventure travel

A number of Asian destinations are aggressively promoting youth adventure travel. South Asia Subregional Economic Cooperation Programme of the Asian Development Bank created the Integrated Project on Adventure Tourism in South Asia, targeting youth tourism. The project undertakes marketing and professional development activities, with the initial costs funded by the Indian government. India is heavily promoting itself as an adventure travel destination internationally with its Incredible India campaign. Later extension of the Adventure Tourism Project into Nepal and Bhutan is planned.

Source: <http://www.xolaconsulting.com>

3 Price developments

Prices travel packages

The strong Euro is playing a major role in favour of outbound tourism. For this reason, travelling abroad is more attractive for Europeans and this favourable situation is expected to continue for some time. In Europe, tour operators are conducting a price war. High numbers of last-minute bookings and more direct sales have put operator margins under pressure. Higher fuel prices in recent years have only partly been passed on to the consumer and several cost reductions have been necessary in order to remain competitive. Tour operators are not open about the purchasing prices they pay for the tourism services they offer. To give an indication of the prices for travel packages to DCs sold by European tour operators, some examples of consumer prices are presented in Table 3.1. Please note that this is an indication of consumer prices only. Prices may fluctuate during the year, per tour operator, per country and per destination.

Table 3.1 Examples of travel packages of European tour operators, 2008

Destination	Character	Length (days)	Price (€)	Website of tour operator	Country of origin of tour operator
Tanzania	Climbing the Kilimanjaro	12	2,596 - 2,756	http://www.sawadee.nl	The Netherlands
Turkey	White water rafting, sea kayaking, mountain biking, canyoning and hiking, with optional scuba dive or tandem paraglide	8	650 - 800	http://www.exodus.co.uk	UK
Brazil	Buggy and quad riding	9	3,180	http://www.aventuria.com	France

Destination	Character	Length (days)	Price (€)	Website of tour operator	Country of origin of tour operator
Morocco	Surfing holiday	7	2,795 - 4,895	http://www.xtravel.se	Sweden
New Guinea	Trekking holiday	16	3,195 - 3,280	http://www.contrastgetaway.de	Germany
Iran	Mountain climbing	14	1,900 - 2,200	http://www.vsanga.com	Spain

Source: Facts Figures Future (2008)

Air fares

A substantial portion of the price of a travel package is the air fare. Both air fares and hotel rates are expected to increase. This section will discuss the expected price increases of air fares and hotel rates in further detail.

Global Air Fare Forecast

Air fares are expected to climb, although low cost carrier penetration will offset the increase in global air fares somewhat. More passenger traffic and higher oil prices will be compensated by continued low-cost carrier growth, increased capacity on high traffic routes and competitive fare structure changes. Table 3.2 shows the increase in European air fares for 2007.

Table 3.2 Increases in European Air Fares, 2007

Published Air Fares	Increases for 2007
Domestic / short haul (economy fares)	0% to 2%
International / long haul (business fares)	2% to 3%

Source: Traveledailynews (<http://www.traveledailynews.com>)

Global Hotel Rate Forecast

Due to enormous demand for hotels across all regions, hoteliers have more control over negotiations, with few downward pressures available to stabilise pricing. Rates will go up as a result of rising occupancy, limited supply growth and competition between leisure and business travellers. The increased demand for hotel rooms will surpass the growth rate of air capacity. Table 3.3 shows the increases in hotel rates for 2007.

Table 3.3 Increases in hotels rates, 2007

Region	Hotel Mid-Range Properties Increases for 2007	Hotel Upper-Range Properties Increases for 2007
Asia-Pacific	0% to 25%	-1% to 25%
Europe, Middle East and Africa	2% to 5%	3% to 6%
Latin America & the Caribbean	2% to 4%	4% to 7%
North America	2% to 6%	3% to 8%

Source: Traveledailynews (<http://www.traveledailynews.com>)

BCD Travel Consulting (<http://www.bcdtravelinmotion.com>) even expects hotel rates in the Asia-Pacific region and, in particular in India to grow from 14% to 17% in 2008, as demand continues to be larger than supply. For the Latin American region, it is expected that hotel rates will increase from 13% to 16% in 2008. BCD Travel Consulting forecasts that average group room rates will increase from 6% to 9% in 2008. Food and beverage costs are expected to increase by 7%. The costs of arranging a meeting are expected to increase from 8% to 10% in 2008.

Please refer to the CBI market survey 'The long haul tourism market in the EU' for more information on prices and price developments. This survey can be downloaded from <http://www.cbi.eu/marketinfo> - go to search publications.

4 Doing business

General information on doing business such as approaching potential business partners, building up a relationship, drawing up an offer, handling the contract (methods of payment,

and terms of delivery) can be found in CBI's export manuals 'Export Planner' and 'Your image builder'. Furthermore, cultural awareness is a critical skill in securing success as an exporter. Information on cultural differences in the EU can be found in chapter 3 of CBI's export manual 'Exporting to the EU'. These manuals can be downloaded from <http://www.cbi.eu/marketinfo> - go to search publications.

Sales promotion

There are numerous tools to promote a destination, accommodation or country among target groups. Trade fairs, trade press, familiarisation trips and the Internet are the most interesting tools to reach target groups such as specialised tour operators and adventure travellers. There is a strong trend towards cross marketing between adventure tourism products and other products purchased by the same consumers. These links are made through magazines, mail-outs, inserts, Internet websites, television, films, fashion, shops and merchandising.

Trade fairs

Trade fairs are important tools for DC operators to get in touch with potential counterparts. Many potential buyers are present and looking for new business suppliers and initial contact can easily be established. Besides tour operators, a lot of journalists visit these fairs and making contact with them could result in free publicity. Table 4.1 shows the trade fairs which are focused on adventure travel.

Table 4.1 Adventure travel trade fairs

Trade fair	Website	Location	Date	Remarks
Adventure Travel World Summit - Europe - South America	http://www.adventuretravelworldsummit.com	Tromsø, Norway & Sao Paulo, Brazil	October & September	Adventure and eco-tourism trade only business conference
Outdoor & Adventures Fair	http://www.uteliv2008.se	Örnsköldsvik, Sweden	May; annually	
The Daily Telegraph Adventure Travel Show	http://www.adventureshow.co.uk	London, UK	January; annually	

Source: Facts Figures Future (2008)

Adventure travel trade fairs are not the only interesting trade fairs to visit. The general tourism fairs are also interesting and will also pay attention to adventure travel. For example, at the German trade fair ITB Berlin (<http://www.itb-berlin.com>) there was an 'Experience Adventure' section. Another important tourism trade fair is the WTM in London, the UK (<http://www.wtmlondon.com>). For an overview of the tourism fairs in the individual countries, please refer to the CBI country surveys on long haul tourism. These surveys can be downloaded from <http://www.cbi.eu/marketinfo> - go to search publications.

Trade press and consumer magazines

Trade press and consumer magazines are very important for DC operators, as they may provide them with free publicity on their country and/or destination, influencing potential trade partners and consumers. The CBI export guidelines 'From survey to success' give advice on how to approach the European press and how to write a press release.

These are the main adventure travel magazines in the EU:

- 21st Century Adventures - <http://www.21stcenturyadventures.com>
- Abenteuer und Reisen - <http://www.abenteuer-reisen.de> – German adventure travel magazine
- Adventure Travel Magazine - <http://www.atmagazine.co.uk>
- Aire Libre – <http://www.airelibre.com> – Spanish adventure travel magazine
- Carnets d'Aventures - <http://www.expemag.com> – French adventure travel magazine
- The Compass - <http://www.thecompassculture.com> – British adventure travel magazine
- Geographical - <http://www.geographical.co.uk> – British adventure travel magazine

- High on Adventure - <http://www.highonadventure.com>
- National Geographic Adventure - <http://adventure.nationalgeographic.com>
- Op Pad - <http://www.oppad.nl> - Dutch adventure travel magazine
- Outdoor Magazine - <http://www.outdoormagazine.nl> – Dutch adventure travel magazine
- Outpost Magazine - <http://www.outpostmagazine.com>
- Vagabond - <http://www.vagabond.se> – Swedish adventure travel magazine

Please refer to the CBI country surveys on long haul tourism for an overview of travel magazines in the individual countries. All these magazines feature articles on adventure travel every now-and-then, but the magazines are not entirely devoted to adventure travel. These surveys can be downloaded from <http://www.cbi.eu/marketinfo> - go to search publications.

It might also be interesting to look at local magazines. An example is Out There Adventure <http://www.outthere.co.za/adventure>. This is a guide to adventure activities in Southern Africa and beyond.

It is recommended that you visit the website of the European Travel Press (<http://www.eurotraveljournalists.org>) to find the most updated information on European travel writers.

Internet portals

Internet portals are very important nowadays. Many consumers search the Internet for ideas and inspiration for their holidays. DC operators could use these internet portals as free publicity on their country, destination and/or activity. These are some internet portals focused on adventure travel:

- Adventure Travel - <http://www.adventuretravelabroad.com>
- Avontuurlijke reizen - <http://www.avontuurlijkereizen.nl>
- Boots 'n All Travel - <http://www.bootsnall.com>
- Funadventure - <http://www.funadventure.com>
- Mountain Zone - <http://www.mountainzone.com>
- Outdoor - <http://www.outdoor.se>
- Where will we go? - <http://www.wherewillwego.com> – adventure and cultural travel ideas

Potential opportunities for independent agents

The latest trend is customer-to-customer (C2C) holiday planning. It is driven by the Internet via web logs and is becoming more and more popular. People post their dream break on a web log and so-called minipreneurs come up with a solution or itinerary to satisfy their needs and a 'fixing' fee is exchanged. According to Euromonitor International, consumers are craving more choice and individualism is helping to create their own industries and sideline packages. The exchange of views and information on the Internet could lead to somebody getting a payment, while bypassing official distribution channels, travel companies and travel agencies. C2C holiday planning has the potential to be very profitable. Travel businesses are aware of the changing on-line purchasing scene and realise they must adapt their businesses. By inviting customers to request exactly what they want, businesses can try responding to individual demand. Consumers using the Internet as a medium have been moving away from the major websites to the highly personalised market. They tap into web logs and ask fellow consumers what they think. Consumers seem to like word of mouth recommendation and minipreneurs are turning these recommendations into sales opportunities, using their knowledge to put together holidays for other consumers.

Source: <http://www.wtmlondon.com>

Familiarisation trips

A familiarisation trip is travel offered to travel professionals at a reduced rate so they can inspect hotels and restaurants, sample the attractions, and experience the local culture. Travel agencies offer these trips to their employees to help increase their knowledge so they can share that knowledge with their clients. Most travel agencies have a "FAM" policy but most agencies will allow their agents to attend one FAM trip a year. The Fam Connection (<http://www.famconnection.com>) is a database listing many familiarisation trips and industry

rates for worldwide travel professionals and agencies. Tourism suppliers can offer their FAM trips on this website.

Website

The Internet offers DC operators many opportunities for sales promotion. Communication can be fast and at a low cost, irrespective of distance and unlimited in size. The Internet is used for both booking purposes and for pre-researching destinations. Building a website will certainly increase your exposure. Please refer to the CBI export manual “How to promote your website in the EU” and to the CBI market survey “The long haul tourism market in the EU” for some suggestions on how to market your website.

This survey was compiled for CBI by Facts Figures Future.

Disclaimer CBI market information tools: <http://www.cbi.eu/disclaimer>

APPENDIX A SERVICE DESCRIPTION ADVENTURE TRAVEL

Tourism is one of the world's largest industries in terms of employment and share of global domestic product and is particularly growing fast in DCs. Outdoor tourism, largely adventure makes up at least one-fifth of the global tourism industry.

Xola Adventure Industry Consultants² use the following definition for adventure travel:

A trip or travel with the specific purpose of activity participation to explore a new experience, often involving perceived risk or controlled danger associated with personal challenges, in a natural environment or exotic outdoor setting.

The definition of adventure travel is not exact. Most industry officials agree it includes activities such as diving, backpacking, horseback riding, off-trail skiing, river rafting, canoeing, mountain and road biking, fly-fishing and deep-sea fishing. Of course the setting is significant as well. As a rule, it must be natural, wild, exotic, or extreme. In other words, something a traveler is not likely to find at a country club or theme park. Most resorts would not qualify. While golf and ocean swimming are certainly outdoor activities, they're not considered adventurous.

According to Swarbrooke³, the following characteristics can be used to measure whether a given activity can be classified as an adventure:

- Uncertain outcomes,
- Some element of danger and risk,
- Challenge,
- Anticipated rewards,
- Novelty,
- Stimulation and excitement,
- Escapism and separation,
- Exploration and discovery,
- Absorption and focus,
- Contrasting emotions.

Many of these characteristics are related and if all of these elements are present, an adventure is assured. Some elements that can impact these characteristics include the environmental setting, the core activities undertaken and the transportation needed. Other factors include remoteness, skills needed, effort required, responsibility and level of contrivance.

Historically characterised by activity type ('hard' versus 'soft' adventure activities), the term 'adventure travel' is often associated with high levels of physical activity by participants, most of it outdoors. Based on consumer and industry supplier research in which respondents emphasised the importance of cultural learning in adventure travel, the Adventure Travel Trade Association advances the following definition of adventure travel:

Adventure travel may be any tourist activity including two of the following three components: a physical activity, a cultural exchange or interaction, and engagement with nature.

Please recognize that 'adventure travel' is not a well-defined segment. Adventure travel activities and businesses might also be captured as ecotourism, heritage tourism, volunteer tourism, rural tourism, community tourism, wildlife tourism, to name a few.

For an overview of adventure activities, please refer to Appendix B. Please note that this list is not conclusive.

² Xola Adventure Industry Consultants – <http://www.xolaconsulting.com>

³ Swarbrooke, John, Beard, Colin, Leckie, Suzanne, and Pomfret, Gill. 2003. *Adventure Tourism: The New Frontier*. Burlington, MA: Butterworth-Heinemann.

APPENDIX B OVERVIEW ADVENTURE ACTIVITIES

This section will give an overview of adventure activities. Please note that this list is not conclusive.

Abseiling Aerial safari Angling Archaeological expeditions Archery Arctic Trips Backpacking BASE jumping Biking Bird-watching Bungee jumping Bushwalking Badminton Black water rafting Bowling Baseball Ballooning Camel riding Camping Canoeing Canyoning Cycling Canyon swing Cave diving Caving Cultural activities Deep sea fishing Diving Dog sledding Eco tourism Educational Programs Environmentally sustainable activities Elephant riding Fencing Fishing - Fly Fishing Skiing Skydiving Fly by wire Four Wheel Drive Trips Go karting Golf Gymnastics Hang gliding	Heli-skiing Hiking or tramping Horseback riding Hot air ballooning Hockey Hunting Ice climbing Ice skating Ice hockey Jet boating Jet skiing Jungle Exploring Kayaking Kite-surfing Kite buggy Kite boarding Martial arts Moped biking Motorcycling Nature Trips Mountain biking Mountaineering Netball Orienteering Outdoor endurance Outward bound Parachuting Paragliding Parasailing Paint balling Paracending Paragliding Passenger in a: - Helicopter - Small Aircraft Quad biking Rafting Rappelling Research expeditions Rock climbing Rugby Running of the bulls Rambling Roller skating	Roller blading Rogaining Rowing Sailing Safari's Scuba diving Sea canoeing Sea kayaking Shark cage diving Volleyball Wakeboarding Snorkelling Snowboarding Soaring Soccer Surfing Squash Survival and Wilderness Training Swimming Ski joring Snow mobiling Speed boating Spelunking Skateboarding - street Skateboarding - ramp / half pipe Skateboarding - skate park Surf boat rowing Tandem skydiving Trail bike riding Trekking Table tennis Ten pin bowling Tennis Tubing Ultimate Frisbee Visiting historical sites Walking Water skiing White water kayaking White water rafting Windsurfing Yachting Zorbing
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