Global Travel Intentions Study Highlights 2018

Executive Summary

By ORC International

Regions included in the study

- **APAC**
  Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Singapore, Taiwan, Thailand, Vietnam
- **Europe**
  France, Germany, United Kingdom, Russia, Ukraine
- **MEA**
  Egypt, Kuwait, Saudi Arabia, South Africa, United Arab Emirates
- **Americas**
  Brazil, Canada, Mexico, United States

Data collection

The data is based on 500 interviews in each of the 27 markets except India, China, Australia and New Zealand, where 1000 interviews were conducted.

Online interviews were conducted between June – July 2017, in all markets, with the exception of Egypt, Kuwait and Saudi Arabia; where interviews were done face-to-face with the assistance of laptops.

Continuity & points of comparison

This is study was also conducted in 2013 & 2015. Where possible, trends are shown.

Foreword

The travel and tourism industry continues to play a significant part to global economies. According to the World Travel and Tourism Council (WTTC), travel and tourism generated US$7.6 trillion in 2016 – 10.2 percent of global GDP. This is expected to grow by 3.8 percent in 2017.

There were 1.24 billion international tourist arrivals in 2016 despite the increasing and unpredictable security risks and political instability. With visitor spending matching that growth, this industry remains an exciting one with significant opportunities for the world's largest industries.

Considering the scale of the industry, it is vital to analyze and understand the travel behavior and tourism spending patterns of these global travellers to help unlock the potential this industry presents to developed and emerging economies alike.

Tourism provides a gateway to economic progress by helping to grow revenue, promote job creation, and accelerate infrastructure development. And with increased acceptance of reliable and secure electronic payments, every traveller who uses a card to pay or buy goods and services is exponentially contributing to growth.

The Visa Global Travel Intentions Study has been regularly updated and published since 2006, and this latest installment is showing that with greater options, leisure travel is touching a wider mass. Regardless of economic or political highs and lows, leisure travellers are still optimistic about their future plans. This latest 2017 global update is part of Visa's continued commitment to helping industry players, including governments, in their pursuit of growth of the global travel and tourism industry.

Content

A Macro Trends in Travel

B Triggers & Motivations

C Role of Technology in Travel & Payment

A

Macro Trends in Travel

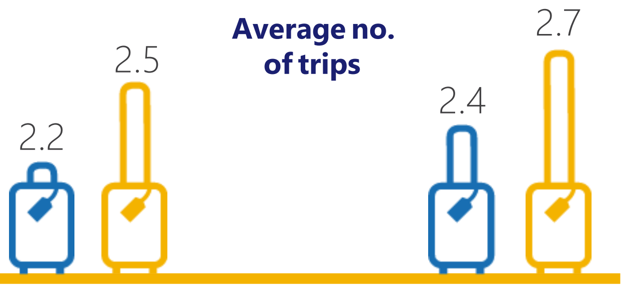
Changes in the way we travel

1 Desire to travel continues, with increase in frequency of travel across most markets

Buoyant market with frequency of travel increasing, and is likely to continue into the future

2015 2017

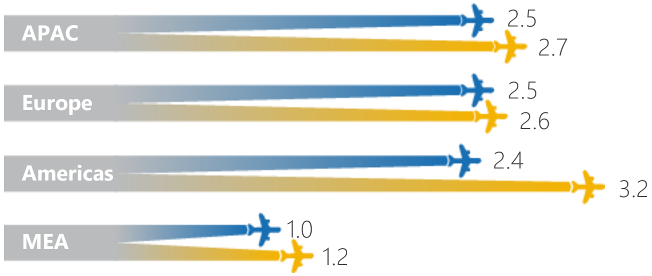
In the past 2 years, we have taken on average 2.5 leisure trips.
In the next 2 years, we're likely to further increase.



Base 2015: 13603 | 2017: 15523

Average no. of trips

2015 2017



Base 2015: 13603 | 2017: 15523

Increase in the average number of trips taken is the most evident in Americas, followed by Asia-Pacific and MEA (albeit coming from much lower base).

2 Travellers around the world are taking shorter trips

The average length of holiday keeps getting shorter, now being just over one week.

Average length of a trip

Year	Average length	Base
2013	10 nights	Base 10009
2015	9.5 nights	Base 10309
2017	8 nights	Base 12744

Average length of a trip (No. of nights)

Region	Nights	Base
APAC	7.1 nights	Base 7159
Europe	9.7 nights	Base 2172
Americas	8.7 nights	Base 1848
MEA	10.6 nights	Base 1565

Travellers from MEA tend to take the longest holiday.

Travellers from Asia love short getaways.

Proportion of trips 2 nights or less

Global	9%	Base 12744
Japan	21%	Base 338
Thailand	21%	Base 468
Vietnam	20%	Base 363
Indonesia	20%	Base 398

Did you know?

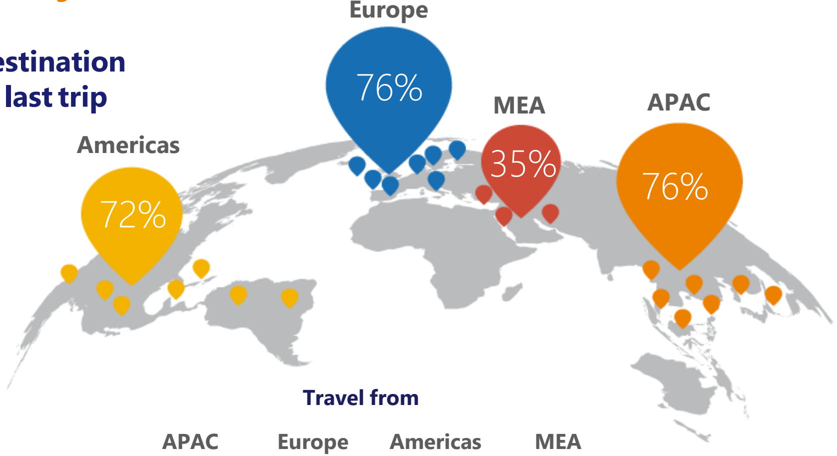
Countries with longest holiday (days)

Saudi Arabia	14	Kuwait	10
Australia	13	Canada	10
New Zealand	12	South Africa	10
Russia	10		

3 Intra-region travel is still dominant

As seen in previous years, 3 out of 4 trips taken in the past 2 years were within the same region.

Destination of last trip



Travel from

Travel to	APAC	Europe	Americas	MEA
Asia	**76%**	23%	17%	**35%**
Europe	30%	76%	49%	34%
Australasia/ Oceania	29%	5%	7%	7%
Americas	23%	20%	**72%**	12%
Middle East	7%	22%	6%	27%
Africa	4%	8%	3%	12%
Base	*7159*	*2172*	*1848*	*1565*

Travellers from Americas & Africa are most open to exploring outside their region/going long-haul; whilst Europeans & Asia are the keenest on proximity.

European destinations are the most popular choice outside of region of origin, Australasia & Oceania is also gaining popularity.

Did you know?

11%

of trips include multiple countries.

Base 12744

4

Top global destinations

Most popular Destination Countries (in Past 2 years)

Japan	USA	Australia	Hong Kong	Thailand
19%	18%	15%	13%	13%
Base: (2475)	(2258)	(1922)	(1625)	(1603)

Most popular Destination Countries (in Next 2 years)

Japan	USA	Australia	Thailand	Italy
9%	9%	7%	3%	3%
Base: (1309)	(1305)	(1117)	(515)	(498)

Base: Travelled internationally in past 2 years – 2017 (12744)

Base: Respondents who intend to travel in the next 2 years – 2017 (15064)

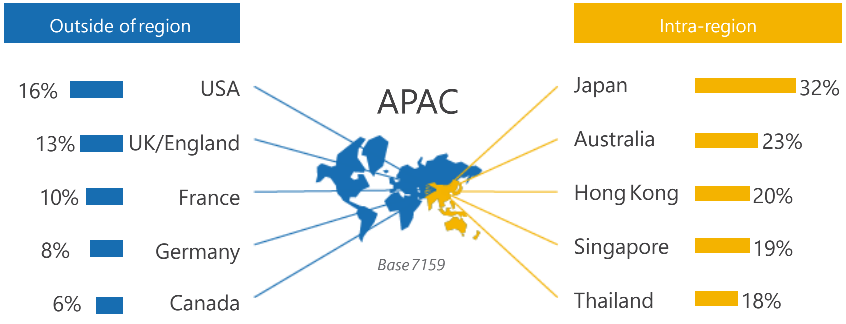
5 Top destinations

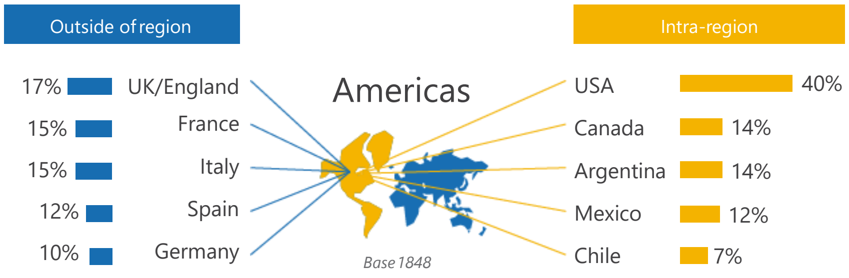
USA is consistently one of the most popular destinations outside of region of origin, followed by European destinations such as UK/England, France and Germany.

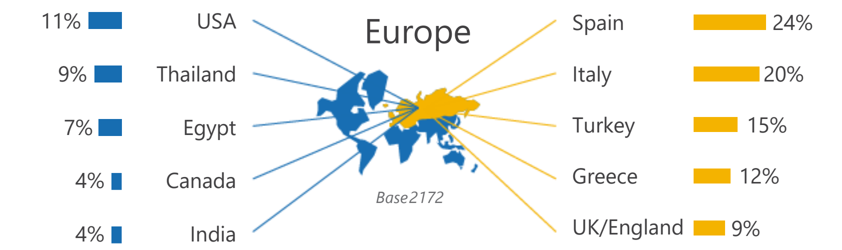
Did you know?

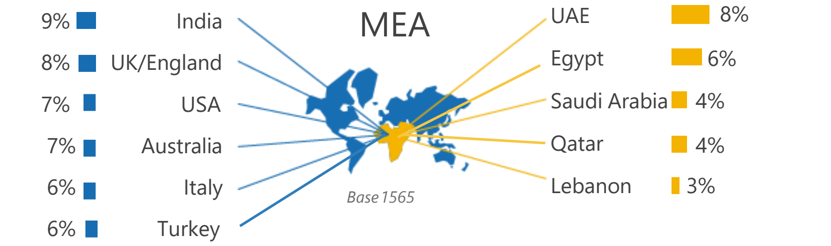
62% Travellers from Africa & Middle East are the most likely to transit.

Destination of last trip









B

Triggers & Motivations

Why do people travel & how they pick where to travel

1 The motivations of travellers are mixed

Most travellers seek a "blend" of Reward & Achievement.

Motivations for last trip

Reward mindset | Achiever mindset

Bonding with family & loved ones	47%	Reward
Disconnecting from daily grind/stress	35%	Reward
'Switching off' and relaxing	32%	Reward
Experiencing different cultures	31%	Achiever
Visiting exotic destinations	25%	Achiever
Treating myself	23%	Reward
Rewarding myself for the hard work	19%	Reward
Pursuing passions	14%	Achiever
Experiencing popular travel trends/ experiment	13%	Achiever
Annual/ scheduled getaways	10%	Reward

Base 12744

30% with reward mindset (only)

63% "blended" travellers

6% with achiever mindset (only)

2 Holiday choices are driven by a wide mix of needs

Global	Essential factors for choice of destination	
Culture*	Has a rich culture/heritage	26%
	Locals are warm and friendly	15%
Nature	Has good scenery	21%
	Has natural wonders	11%
	Has good nature preserves	8%
Weather/Safety/ Cleanliness	Good weather/season	20%
	Safe and secure	17%
	Clean and well-maintained	13%
Cost/Budget	Fit my budget	19%
	Was good value for money	17%
	There was a travel promotion	7%
Accessibility	Easy to get to the destination	12%
	Familiar with the destination	10%
	Easy to get around at the destination	9%
Base 12744		*Base 12744*

**Only two factors are asked under Culture*

3 Travellers needs differ by region

Europeans - seek culture and good weather.

APAC travellers are the most concerned with time available & accessibility of the destination.

Americans - are influenced by activities and local experiences.

Travellers from MEA - appreciate activities but are also concerned with budget.

Top 3 reasons for most recent destination

Americas		Europe		APAC		MEA	
Activities	35%	Culture	36%	Accessibility/ Familiarity	36%	Activities	44%
Culture	33%	Weather/ Safety/ Cleanliness	35%	Nature	35%	Budget	39%
Weather/ Safety/ Cleanliness	29%	Accessibility/ Familiarity	32%	Available time	34%	Weather/ Safety/ Cleanliness	37%
Base 1848		*Base 2172*		*Base 7159*		*Base 1565*	

Did you know?

Agritourism is the most popular among Thai travellers with **13%** citing it as an essential factor for destination choice.
Base 468

Global average is **3%**
Base 12744

Hong Kong travellers due to fast-paced lifestyle, tend to seek easy access around destination (**19%**).
Base 484

Global average **9%**
Base 12744

Taiwan is the most concerned with safety. In contrast, Ukraine is the least concerned (**31%** and **8%** respectively).
Base Taiwan 431; Ukraine 286

Global average is **17%**

Germany is the least cost/budget conscious nation, with only **18%** of travellers citing it as a factor.
Base 493

Global average is **33%**

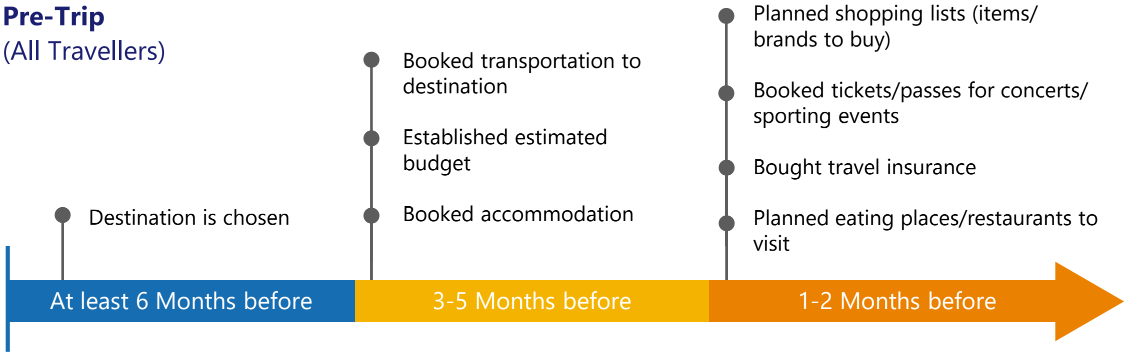
Role of Technology in Travel & Payment

Evolving ways we plan travel & pay for it

Majority of the detailed planning and booking decisions take place 1- 3 months before the trip

Destination is usually chosen at least 6 months before the trip, transport & hotel 3-4 months ahead, whilst detailed activities are typically planned only 1-2 months in advance.

Pre-Trip
(All Travellers)



For many, pre-trip planning involves more than just transport, accommodation or attractions planning.

Pre-Trip planning

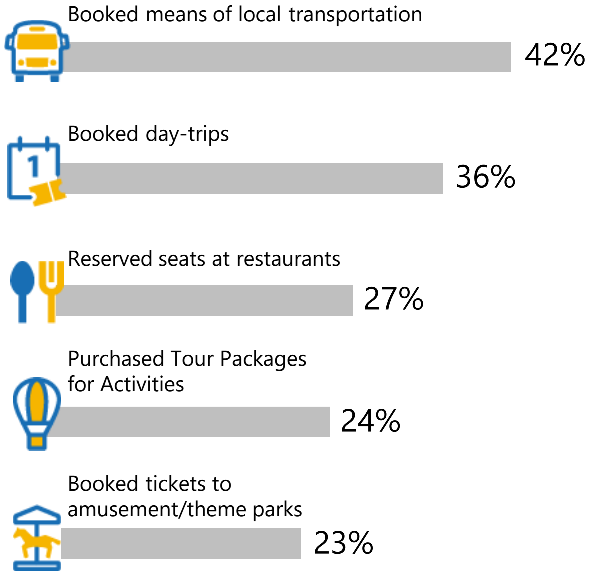
64% of Travellers planed shopping lists.

72% of Travellers prepared cash/foreign currency.

61% of Travellers downloaded travel apps.

Many leave the booking of specific activities to when they reach their destination.

At Destination
(Free/Independent Travellers)



2 Independent travelers decide on their destination earlier than those who book group packages, but leave the rest of the planning closer to departure

Those who book a group package finalize destination choice about 6 months prior departure, and spend the following 3-4 months researching the destination, planning for shopping, restaurants and activities.

Group/ personal guided tour

More than 1 year before | 6 months - 1 year before | 6 months before | 5 months before | 4 months before | 3 months before | 2 months before | 1 month before | 2 weeks before | Less than one week before | At the point of departure in home country | At home/ destination airport | **At destination**

- 6 months - 1 year before:
  - Destination chosen
- 4 months before:
  - Planned shopping
  - Research on destination
- 3 months before:
  - Established Budget
  - Monitoring news about destination
  - Booked tickets (activities)
  - Reserved seats at restaurants
- 2 months before:
  - Prepared foreign currency
  - Bought travel insurance
  - Downloaded useful travel apps

Independent travellers do most of their planning 2-3 months ahead of the trip. Though booking activities, shopping, tickets, etc. is left till the last few weeks before departure.

Partial package/ Free and independent

More than 1 year before | 6 months - 1 year before | 6 months before | 5 months before | 4 months before | 3 months before | 2 months before | 1 month before | 2 weeks before | Less than one week before | At the point of departure in home country | At home/ destination airport | **At destination**

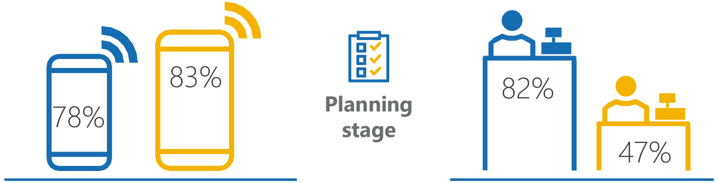
- 6 months - 1 year before:
  - Destination chosen
- 4 months before:
  - Booked transportation to destination
- 3 months before:
  - Established estimated budget
  - Booked accommodation
  - Research on destination
  - Planned travel itinerary
- 2 months before:
  - Monitored news about destination
  - Bought travel insurance
- 2 weeks before:
  - Booked day trips/tickets to parks/attractions
  - Planned eating places
  - Prepared foreign currency
  - Purchased tour package for activities
  - Reserved seats at restaurants
- 1 month before / 2 weeks before:
  - Booked tickets (activities)
  - Planned shopping lists
  - Downloaded useful travel apps
  - Booked transportation at destination
- At destination:
  - Booked means of transport at destination
  - Booked day-trips
  - Reserved seats at restaurants

3 Information & Influence

Online is dominant source of information at planning stage.

Increasing number of people are going to online sources at planning stage.

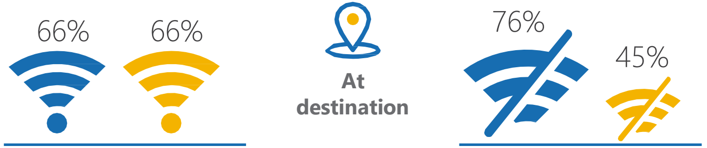
Offline sources dropped from 82% in 2015 to 47% in 2017.



Base 2015: 10309 | 2017: 12744

At destination, on-line & off-line is more balanced

Travellers see lesser need for offline sources while they continue to make use of online sources.



Base 2015: 10309 | 2017: 12744

Top 3 Offline sources during planning

Relative, family or friend	**22%**
Travel Agents/tour operators	**16%**
Travel guidebook	**14%**

Base 12744

Top 3 Offline sources at destination

Relative, family or friend	**15%**
Travel guidebook	**14%**
Hotel reception/ front desk	**13%**

Base 12744

Word-of-mouth is an important source of information during planning and at the destination.

Did you know?

Travellers from Kuwait and Saudia Arabia are still relying a lot on offline sources for planning although that trend has somewhat declined over the years as travellers shift towards use of online sources for planning – proportion of this segment has increased two fold in 2017 since 2015

Kuwait - 66% (2017) vs 32% (2015)
Saudi Arabia – 66% (2017) vs 37% (2015).

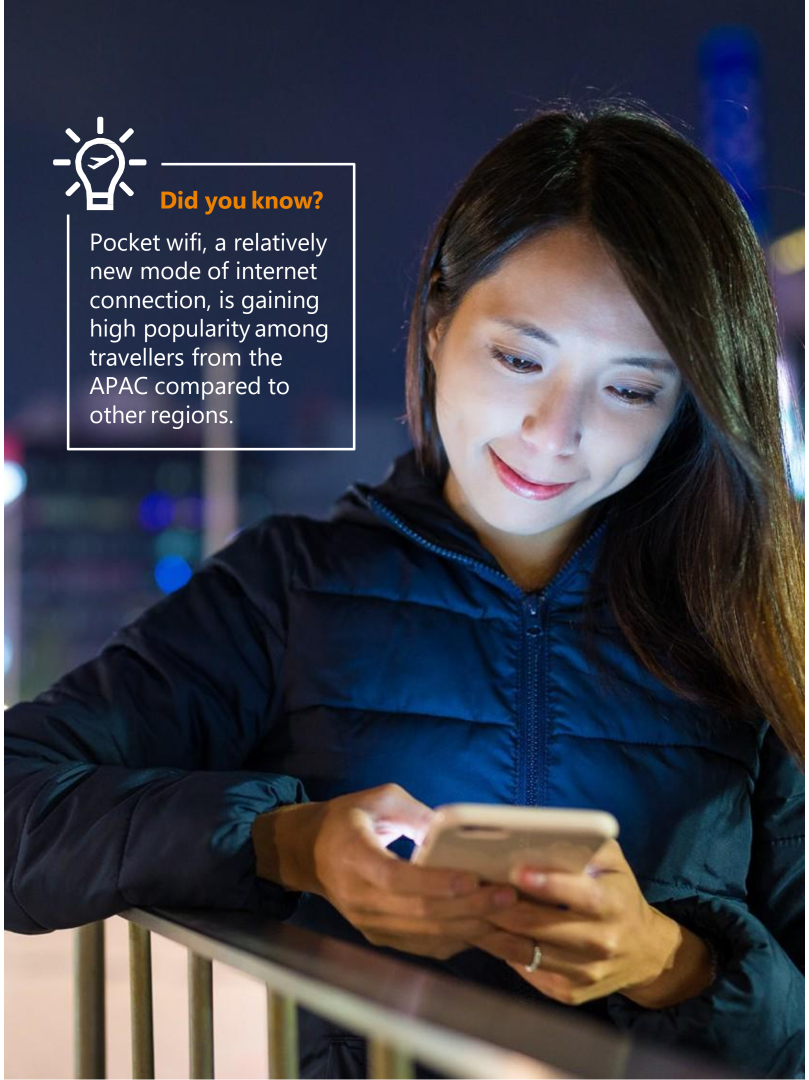
4 Technology/ platforms used

Travellers want to be connected 24/7, even at destination.

88% of travellers gained online access whilst abroad.

Mobile roaming	Buying local SIM card	Pocket wifi	Free wifi in hotel
29%	30%	16%	39%

Base 12744



Did you know?

Pocket wifi, a relatively new mode of internet connection, is gaining high popularity among travellers from the APAC compared to other regions.

Increasingly, travellers are staying connected while on the go.

Stayed online during trips

2015 | 2017

81% vs 85%

Share experience
61% VS 69%
via social media platforms (e.g. Facebook)

General communication
62% VS 60%
via instant messages/emails

Post reviews
37% VS 41%
posted on travel review sites

Base 2015: 10309 | 2017: 12744

More are now sharing experiences via social media and lesser general communication compared to 2015, suggesting that travellers are now going beyond their personal domain to the public domain.

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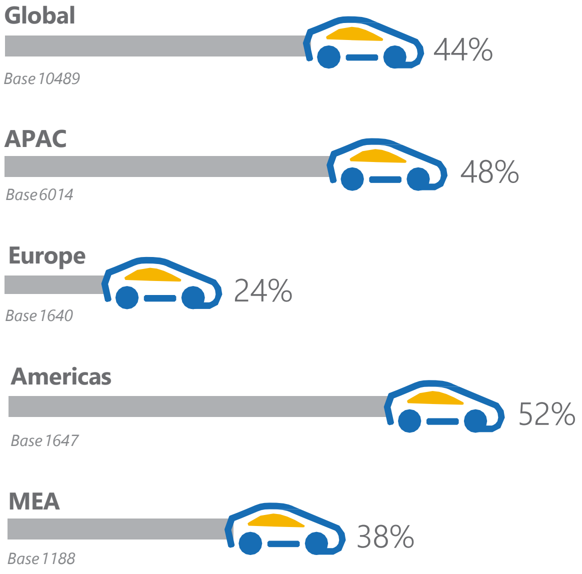
5 With increased internet connection at destination, Uber and similar transport platforms are now widely used while travelling

Usage of ride sharing apps (such as Uber) at destination

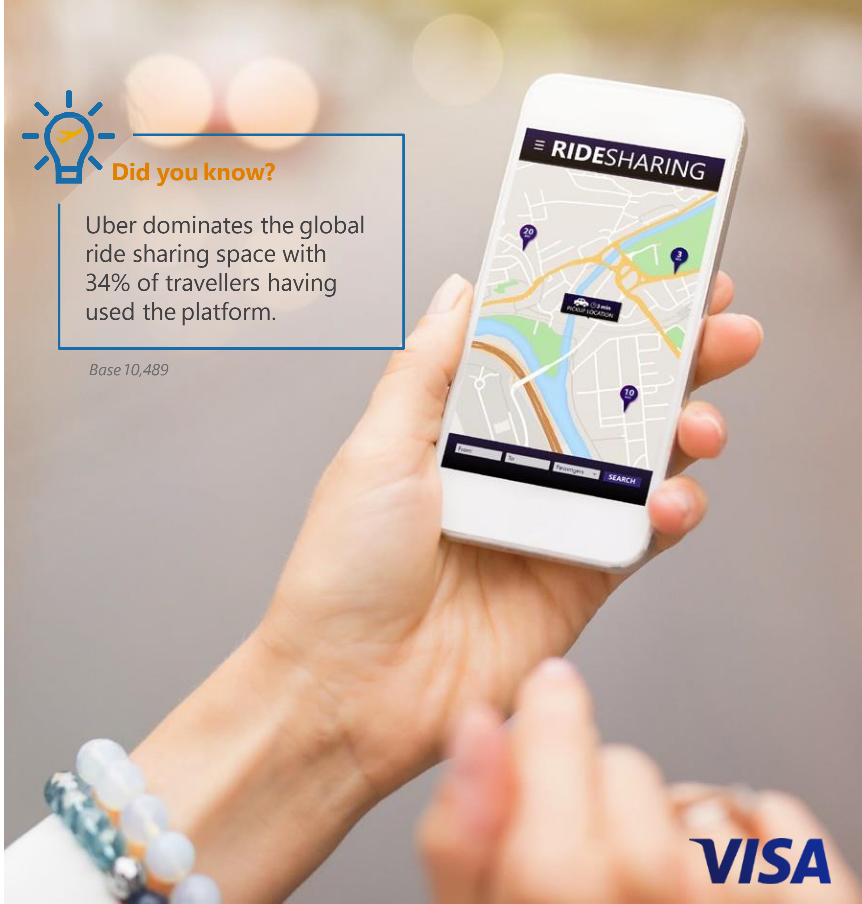


Travellers from the Americas and APAC are likely to be frequent users of ride sharing services during trips.

Did you know?

Uber dominates the global ride sharing space with 34% of travellers having used the platform.

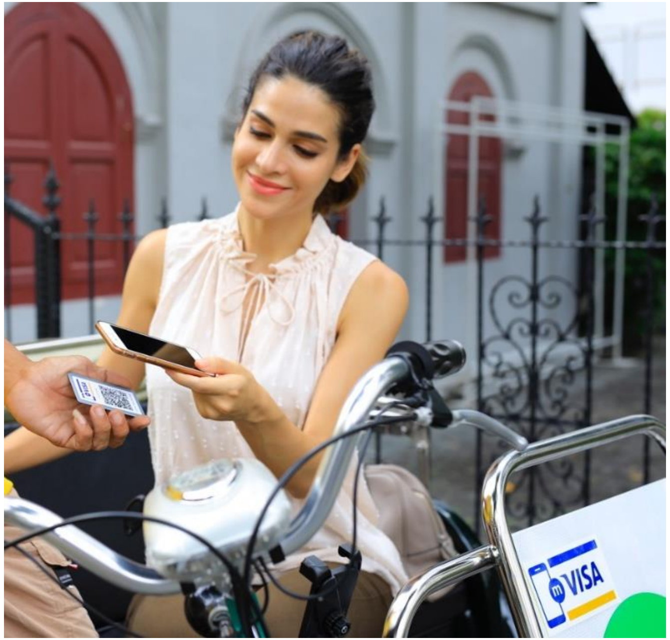
Base 10,489



6 Global spending intended for next trip vs. previous trip

Region	Last trip*	Next trip*	Percent change
Global	1,793	2,443	36.25% Increase
Africa & Middle East	2,666	2,666	0% Increase
Asia Pacific	1,677	2,443	45.68% Increase
Europe	1,174	1,409	20.02% Increase
North and South Americas	2,248	2,840	26.34% Increase

Base 12744 *Median amount spent / intend to spend (USD)



Top five spenders by country

Median amount spent last international trip (USD)

	Saudi Arabia	Kuwait	China	Australia	UAE
Last trip	5,333	3,143	2,988	2,745	2,722

Median amount intend to spend for next trip (USD)

	Saudi Arabia	China	Australia	United States	Kuwait
Next trip	4,800	4,034	3,529	3,500	3,474

Loss or theft of cash is the main payment concern at destination

Other concerns are related to card fraud and merchant charges.

Global

Loss/theft of cash	5.1
Payment card fraud	5.0
Merchant imposed card charges	4.9
Availability of ATM machines	4.5

MEA

Payment cards acceptance	5.9
Charges for overseas ATM withdrawal	5.9
Merchant imposed card charges	5.8
Availability of ATM machines	5.6

Did you know?

Availability of ATMs or money changers is deemed one of top 4 concerns for travellers in MEA as their reliance on cash is high.

Did you know?

45% of travellers cite loss or theft of cash as the main payment concern at destination.

Fraud is not as high a concern for digital wallets as it is for card payments.

	Global
Payment card fraud	5.0
Costs of using payment cards at oversea merchants	4.9
Costs of using payment cards for overseas ATM withdrawal	4.9
Acceptance of payment cards by merchants	4.7
Possibility of card dispute	4.6
Digital wallet fraud	4.4
Acceptance of digital wallets by merchants	4.0

Base 12744

Note: Mean score rated on scale of 1 (Not concerned at all) to 7 (very concerned)

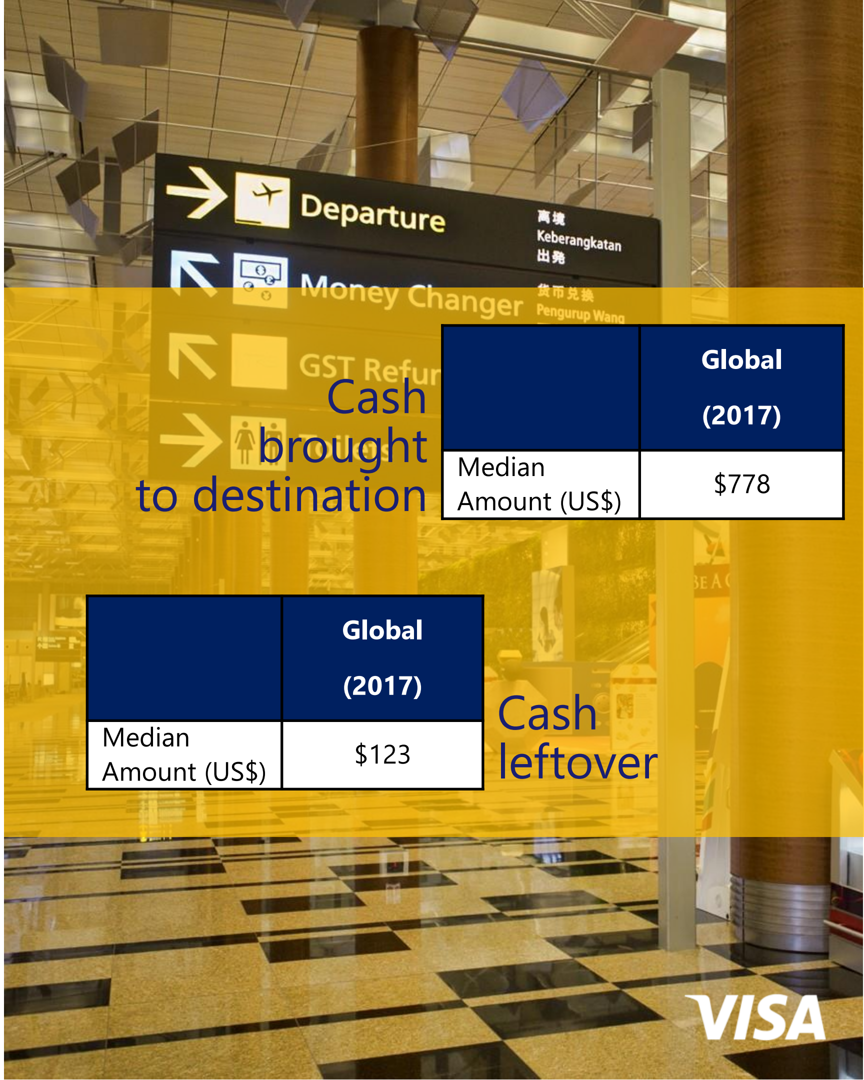
8

Majority of travellers keep leftover cash for their next trip

87% **have leftover cash from their trips.**

Did you know?

Compared to other regions, travellers from Europe and MEA countries displayed a tendency to change back leftover cash (from trips) to local currency – as they see less value in holding foreign currency since a large majority of them have low future intention to travel again in the next 2 years.



Cash brought to destination

	Global (2017)
Median Amount (US$)	$778

Cash leftover

	Global (2017)
Median Amount (US$)	$123

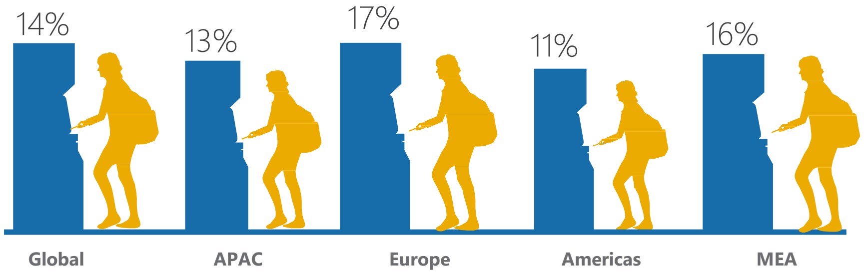
9 ATM withdrawal abroad is still relatively uncommon as many are not clear about the charges

65%

of travellers brought along international/ destination currency with them during trips

Base: 12744

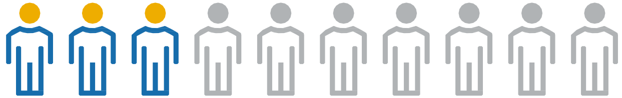
Incidence of ATM withdrawal at destination



Slightly more than 1 in 10 made an ATM withdrawal at destination.

Significantly, travellers from Europe and MEA are more likely to withdraw cash during holiday trips compared to those from the other regions.

Did you know?



Three in 10 Europeans and Americans who carried foreign currency do not see the need for ATM withdrawal at destination country as they feel that they have sufficient cash with them.

Base: Europe (1014); Americas (927)

Lack of clarity around rates & charges are the main barriers to withdrawal at destination.

29%	29%	19%	18%	16%
High charges & rates	**Didn't want to pay admin charges**	**Concern about security**	**Unsure about exchange rates**	**Unfamiliar with withdrawal process**

Base 7305

50% of travellers from MEA are concerned about high charges and rates for overseas cash withdrawal.

Base 1053

Thank you!