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INTRODUCTION

In 1989 restrictions on foreign travel were lifted in Taiwan. Since then there have been substantial changes as these markets mature and residents travel more frequently - revisiting neighbouring countries or going further afield to more distant places for their holidays.

In 1996, 5,713,535 million Taiwan people travelled overseas an increase of up 10.1% over 1995. Growth in travel to Europe is over the last five years has been impressive. During this period, departures to Europe grew from a very modest 20,281 in 1991 to 165,235 in 1996, an annual average growth of 52%. In 1996, travel to Europe was up 23.5%

Recent research on all Asian markets point to a clear interest in long-haul destinations such as Europe, particularly among the frequent and more matured travellers as well as the young singles. There is also clear evidence that as travellers become more experienced, they also become more adventurous and are more inclined to strike out on their own away from package tours with set itineraries. A high proportion of Asian travellers, particularly those from the newly industrialized countries are in their twenties and early thirties and many of them are single frequently travelling with their friends. These trends augur well for Europe where there are so many opportunities for younger travellers to explore on their own.

This study undertaken by ResearchWorks International is designed to provide *actionable* research to help Europe identify its potential market segments in Taiwan, and to give directions on how best to reach the target groups through direct promotion as well as the travel trade.

There are four parts to the study:

1. **Market Overview**

   The Market Overview will provide a useful background to help in understanding and interpreting the research. It includes recent economic trends and an analysis of overseas travel trends and demographic profile of Taiwan outbound travellers based primarily on published statistical reports and surveys.

2. **Consumer Survey**

   The Consumer Survey of past and potential travellers present the demographic and travel characteristics; their holiday requirements and attitudinal profiles of travellers to Europe; their knowledge and perceptions of Europe; expenditures, sightseeing activities, their media habits, etc.

3. **Travel Trade Survey**

This seeks to ascertain the Europe's share of the travel trade's total annual sales and passenger volume and its position relative to the other long-haul regions.

This survey included key travel agents' and tour operators' views on the present and future outlook of long-haul holiday travel trends, particularly to Europe, among Taiwan travellers. The survey also obtained the travel trade's response to key areas addressed in the consumer survey, to provide ETC members with the comprehensive insights into the Taiwan market.

4. **Conclusions and Marketing Implications of the Consumer and Trade Research**

2. OBJECTIVES

- Examine past holiday experience and future travel intentions to Europe among Taiwan travellers.
- Establish their demographic and travel profiles.
- Investigate destination choice factors and preferred types of holiday.
- Gauge their knowledge and perceptions of European destinations.
- Identify market segments with the greatest potential for holiday travel to Europe.
- Investigate the travel trade's response on key areas in the consumer survey and their views on future travel outlook in order to provide the ETC with comprehensive insights on the Taiwan holiday market to Europe.

3. METHODOLOGY

A. Consumer Survey

Respondent qualifications:

- Citizen and permanent resident of Taiwan.
- Aged 20 and over.
- Household income of NT$40,000 or more
- Have been to Europe in the past five years for any reason
  or plan to go to Europe for holidays in the next three years.

* Excludes people in travel-related businesses such as travel agents, airline,
hotel employees; advertising and market research.

* Excludes European expatriates working in Taiwan

Sample size: 400 residents of Taipei, Kaoshiung and Taichung, the three top generating cities for overseas travel from Taiwan.

Sampling: Qualified respondents would be recruited through multi-channel interpersonal sources, a method that has been effectively used for product categories with low usage or penetration. This is the case with holiday travel to Europe, relatively speaking, at the present time. The US is the top long-haul destination for Taiwan travellers.

Quota sampling by age and sex distribution based on 1996 official statistics of travellers to Europe, compiled and published by the Tourism Bureau of Taiwan, was applied to the sample. This is to ensure the sample reflect these important demographic characteristics of travellers to Europe. Face-to-face interviews were conducted with qualified respondents.

Important Note: The percentages shown in the report are based on the sample of past and intending long-haul travellers to Europe and *not* the total population of Taiwan. The qualifying criteria especially on travel experience and intention relate specifically to these people not the total population

B. Travel Trade Survey

Thirty face-to-face interviews with retail travel agencies and tour wholesalers in **Taipei**, **Kaoshiung**, **Taichung.** To qualify for the interview, travel agencies and tour wholesalers had to have been business for three years or more and the percentage of their business for travel to Europe in past year had to be 25% or more.

C. Fieldwork

The fieldwork for the Consumer and Travel Trade surveys was carried out between February 21 and March 15, 1998, i.e. during the Asian crisis. It is suggested the pre-crisis rate be used for conversion. Various average rates provided by the US Federal Reserves Bank are listed in section E. below.

D. The Report

The report on the key findings is presented in a concise format.

E. Exchange Rate Averages in Relation to US Dollar

1996: NT$27.469; 1997: NT$28.775
November 1997: NT$31.794
June 30, 1998: NT$34.370.

EXECUTIVE SUMMARY

- Taiwan's 21 million people have a healthy banking system, a high savings rate and a large foreign exchange reserves. It is one of Asia's healthier economies, it has succeeded in skirting the region's financial woes, but is not entirely unscathed. Index of leading economic indicators was down this year suggesting the drop in exports to Asia and slower-than-expected shipments of high technology products are hurting Taiwan's once-booming economy.

- Despite the drop in exports, Taiwan's Gross Domestic Product (GDP) grew 6% in the first quarter this year, in line with Government forecast, but more than many economists predicted. Driving this growth was the larger-than-expected increase in private investment, which helped offset the drop in exports. However, in the midst of the worsening situation in Asia, Taiwan has trimmed its forecast of economic growth from 6% to 5.3% this year.

- Since government restrictions on overseas travel were lifted in 1989, outbound travel from Taiwan had trebled from 2.1 million in 1989 to 6.2 million in 1997, an annual growth of 14.4% over this period.

- Long-haul destinations, on much smaller bases, chalked up stronger growth over the same period. Travel to North America increased from 158,848 in 1989 to 705,567 in 1997, an annual average of growth of 20.5%. Travel to Europe increased from a mere 18,849 to 187,522 in 1997, a 33.5% annual average growth, with much higher growth for France, Germany, Italy, Switzerland and the United Kingdom.

- Based on the1997 outbound travel total of 6.2 million, the incidence of overseas travel from Taiwan is equal to 29% of the population, much higher than Japan and surely among one of the highest in the world. However, outbound travel slowed in 1997 during which the growth of 7.8% over 1996 failed to match the average of more than 14% since travel curbs were lifted in 1989. Expenditures of overseas travellers also fell noticeably last year. Unless the economy improves significantly in 1998, growth in outbound travel would probably remain moderate.

- A development which should be of interest to Europe is the opening of a direct route between Taipei and Moscow serviced by China Airlines and Russia's Transavia. This means travel to Russia and the Eastern European countries will likely expand in the years ahead.
  Another development is that as Taiwan travellers become more experienced international travellers, they tend to travel on their own rather than on package tours.

- In response to this trend, travel agencies as well as airlines, have begun offering individual travel packages.The Consumer Survey showed that the Taiwan long-haul traveller is relatively young and affluent, well educated, likely to be married with children, usually speaks English. New travellers to Europe are likely to come from a broader stratum of society in terms of income, marginally biased towards women, and less likely to speak English.

- Experience of Europe on past long-haul trips in the last five years were limited to six countries - France, Italy, Switzerland, the Netherlands, United Kingdom and Germany. The main long-haul competition was from the US

- Past travellers made an average of 1.80 trips to Europe, but future travellers plan slightly shorter visits averaging 1.73 trips.

- On their most recent trip to Europe, the average holiday taker visited three countries. They used four key arrival cities: Paris, Amsterdam, London and Rome. Most visited Europe in Summer or Autumn staying an average of 11 nights. They came with spouse/partner, family members, friends or business colleagues; most travelled on inclusive package tours. The same pattern holds true for future holiday trips except for a drop in the length of stay and an increased interest in travelling in Spring.

- The majority of travellers, particularly those on inclusive package tours, used luxury hotel. Their sightseeing activities were dominated by visits to cultural and historic sites, and museums and art galleries. Shopping was also an important activity.

- The average total trip expenditure per person was NT$112,000 (US$4,000 at pre-crisis rate), of which NT$66,300 (US$2,300) was spent before departure on tour package, airfare, etc. and NT$45,700 (US$1,700) was spent in Europe.

- The lead time for planning , an average of three months, and for booking the trip, an average of less than four weeks, was relatively short.
- The most frequently used sources of information for the most recent trip were travel agent's brochures, travel magazines and guide books. Travel agents provided advice most frequently on itinerary planning, visa application, tour package selection.

- The use of the internet will rise especially among the young, the high income and the well educated group.
- There was an acceptable, though not high, level of satisfaction with facilities and services used in the most recent trip. The highest score was given to sightseeing tours. Entry formalities and restaurants were the least satisfactory.

- Rest and relaxation was the most preferred type of long-haul holiday. Opportunity to experience other cultures was also popular. The key factors in choosing a holiday destination were security and safety, outstanding scenery and pleasant climate, clean and unpolluted environment, good connections with major airlines, good local transportation, ease of obtaining a visa and availability of attractively priced tour package.

- Destination knowledge and image were closely related to the market's experience on individual countries. Over half or more claimed some knowledge and had some perceptions of the top six countries: France, United Kingdom, Italy, the Netherlands, Switzerland and Germany. At the other extreme there were several countries with a very small percentage expressing any familiarity, and with very weak image.

- The image strengths of European countries over competing long-haul destinations include interesting culture and history, famous art galleries, museums, historic sites and monuments, theatres, concerts and musicals.

- The image weakness, perceived or real, in comparison with destinations such as the US, Australia and New Zealand, include cost-related factors - destination offers good value, availability of attractively priced tours, inexpensive to travel to destination and others such as good connections with major airlines, easy to obtain visa, pleasant climate and clean and unpolluted environment.

- Among European destinations, France has the strongest image among Taiwan travellers, and receives higher scores on the their leading destination choice factors than the other destinations in the top six with the possible exception of Switzerland.

- Fear of plane crash, depreciation of the Taiwan currency, feeling of insecurity and fear of war in Europe could be dampening factors discouraging holiday trips to Europe in the near term.

- Results from the Travel Trade Survey showed that Europe generated the largest share of both sales and passenger volume after Asia. Ninety percent of their business to Europe and was for holiday. (Keep in mind that a minimum of 25% business to Europe was the screening criterion set for this survey). Agents predicted a decline in package tours and rise in independent travel in the next three years.

- Difficulty in booking air tickets is one of the problems of organising tours to Europe. Others include high air fares and infrequent flights to Europe, problem of getting sufficient numbers to form a group, bad weather in Europe, and clients find it difficult to schedule a long holiday. The greatest barriers to travel to Europe are language difficulty, the long flight and high cost.

- Agents felt the average clients would be prepared to pay about NT$49,000 (US$1,800 at pre-crisis rate) for a one-week trip covering two countries and NT$80,000 (US$2,900) for two weeks visiting five countries.

- The top three factors that have the greatest potential for attracting future Taiwan travellers to Europe are: attractively priced tour packages, outstanding scenery and good connections with major airlines confirming the findings of the Consumer Survey. The three most important reasons for clients choosing to Europe for a holiday are: outstanding scenery, interesting and unique cultures and history, and pleasant climate.

- The top five destinations for business travellers are: Paris, London, Rome, Frankfurt and Vienna. The top five holiday destinations are: Paris, Rome, Venice, Amsterdam and London.

- It is significant to note that half of those interviewed did not receive any sale support from any organisation. Most received materials from NTOs.

- Most frequently used sales tools are: Consumer advertising, joint promotion with tour wholesalers, travel magazines and newspaper articles, travel trade advertising, travel video tapes and feedback from clients. Brochures which are the top sales tool for Thai and Malaysian agents was mentioned by less than one in four agents in Taiwan.

- The survey helped identified the gaps between what respondents are currently using and what they would like to have to help them sell Europe. It is worth noting that most of the items mentioned are of an educational or informational nature. Agents need to *know* the destinations they are selling. The most frequently mentioned ones are travel trade advertising, travel video tapes, slides/film shows and lectures, brochures, seminar/training programmes.

- When asked to rank the three most useful tools for selling European destinations they voted for joint promotions with tour wholesalers, consumer advertising and travel video tapes.

- The most cost-effective media for promoting European destinations are consumer advertising, travel trade press, TV advertising and programmes and consumer magazines.

- Choice of destination, tour package, recommendation of local sightseeing tours and assistance with visa application are services most frequently provided to clients. Respondents felt they have considerable influence in most areas, particularly in the choice of accommodation, airline and tour package and in planning their tour itinerary.

- Factors that are likely to affect short and medium-term outlook for travel to Europe from Taiwan are: flight safety, economic growth and stability in Taiwan, political stability in Europe. In addition, strength of the US dollar was mentioned as a short-term and economic situation in Asia was mentioned as a medium-term effect.

CONCLUSIONS AND MARKETING IMPLCATIONS

- The dominance of the inclusive package tour in the market for European holidays from Taiwan exerts a strong limiting factor on the expansion of the market among those countries not already on the itinerary of such tours.

- This is compounded by the potential market's significant lack of knowledge of second and third rank destination countries and their tourism potential. What knowledge they have is very superficial and often excludes any awareness of key strengths of individual destinations.

- Given the influence of travel agents, it is vital for the ETC and for individual countries to promote a wider range of destinations to both the trade and consumer.

- The decline in package tours and rise in individual travel predicted by agents as the market matures, is a significant trend which should be seized as an opportunity to gradually weaken the dominance of the package tour alluded to earlier. Europe with its excellent rail network and other modes of transportation and minimum frontier formalities *within* the continent is ideal for exploration by the individual and more adventurous traveller. Destinations could help stimulate this market by providing brochures and information, planned itineraries, lists of accommodation, reservation facilities as appropriate. Materials should be provided in Chinese to overcome the language problem which the survey identified as a barrier of travel to Europe. Over time, the language problem would become less important particularly among younger travellers. The consumer survey showed that half of the travellers already speak a European language, predominantly English.

- Given the large number of countries and variety of attractions that Europe has to offer and the short duration of Taiwan travellers' visits, encouraging repeat visits should be an important part of marketing Europe and the individual countries.

- *Entry formalities* received a low rating from Taiwan travellers. *Easy to obtain visa* is one of their top destination choice factors. Government need to be encouraged to minimise delays and inconvenience for genuine tourists.

- Europe is also weak on other key factors that influence the choice of a holiday destination in general. Many of these relate to cost such as *destination offers good value, inexpensive to travel to destination, attractively priced tour package*. Given the high cost in Europe there may not be an easy solution to this problem. But a real effort should be made to address it.

- Europe has outstanding scenery which was mentioned in response to the questions on in destination choice factors and reasons for going to Europe. Sightseeing in Europe was dominated by visits to cultural and historical sites, museums and art galleries even though these are not among the top destination choice factors. With its rich and varied culture and history, coupled with its great artistic heritage, Europe has a strong edge over competing long-haul destinations. But there is a clear need to build awareness and knowledge of key European tourism strengths. Apart from culture in the broadest sense, and history, travellers are not aware of the diversity of landscape, traditions, peoples and cuisine within the continent.

- Promotional materials need to reflect the known concerns and interests of the potential market. However, the need to correct inaccurate perceptions of European destinations and to improve low levels of knowledge must also be addressed.

- One very clear and important message from the travel trade survey is that agents and tour wholesalers in Taiwan need to be much better informed about European destinations. One startling finding is that brochure was used by only a small number of agents in selling Europe. The large gap between sales tools, what agents are using, and what they need to sell Europe to their clients must be filled. Agents need to be thoroughly familiar with the destinations they are selling.

- European destinations should strengthen their presence in Taiwan and increase their promotional and sales efforts. The most cost-effective media suggested by the agents interviewed in the survey, are consumer advertising, travel trade press, TV advertising and programmes. These should be verified against the media usage identified in the Consumer Survey. Media should be carefully evaluated before spending promotional and advertising dollars on them.

- The increasing use of the internet among Taiwan travellers as a travel information source, especially among younger segments of the market, can be harnessed as a relatively inexpensive vehicle for increasing awareness of Europe as a tourist destination, both regionally and for individual destinations.

- The use of the Internet as a promotional tool must be backed up with a reliable system of response to ensure that requests for brochures or further information are handled with speed and accuracy.

- The internet is also an ideal vehicle for building up prospect databases for further marketing initiatives.

- Although Taiwan is not unscathed by the Asian economic crisis as evidenced by slumping exports and declining leading economic indicators, it is one of the few bright spots in Asia in the short to medium term.

- Over the long term, given its high incidence of overseas travel in relation to population and strong economy, prospects for Europe as a holiday destination for Taiwan remain good, provided steps are taken to raise the knowledge of European destinations and address the weaknesses identified in the consumer and travel trade research. The time to do this is now in order to take advantage of the recovery of Asia and return of the strong pre-crisis growth in Taiwan. Generally it takes at least three years from the launching of a promotional programme before one begins to see results.

1. MARKET OVERVIEW

1.1 The Economy

Taiwan’s 21 million people have a healthy banking system, a high savings rate and a large foreign exchange reserves.

It is one of Asia’s healthier economies, has succeeded in skirting the region’s financial woes, but is not entirely unscathed. Index of leading economic indicators was down for the third consecutive months in March this year, off 0.6% from the previous month. Six of the seven measures that make up the closely watched gauge lost ground, including export sales and stock prices. The latest drop of the index follows declines of 1.2% in February and 1.1% in January. These figures suggest the drop in exports to Asia and slower-than-expected shipments of high technology products are hurting Taiwan’s once-booming economy.

Despite the drop in exports, Taiwan’s Gross Domestic Product (GDP) grew 6% in the first quarter this year, in line with Government prediction, but more than many economists predicted. Driving this growth was the larger-than-expected increase in private investment, which helped offset the drop in exports. However, in the midst of the worsening situation in Asia, Taiwan has trimmed its forecast of economic growth from 6% to 5.3% this year.

1.2 Recent Outbound Travel Trends

Sources

This Market Overview will provide a profile of the Taiwan total outbound travel market. For the most part, this section would concentrate on the demographic and travel profiles of Taiwan outbound travellers, with special reference to Europe, based primarily on two official sources:

- The *statistical reports* compiled and published by the Taiwan Tourism Bureau.
- *Annual Survey on Outbound Taiwan Travellers* also conducted by the Bureau.
  Unlike the outbound travel data, the annual survey of outbound travellers is based on interviews with actual travellers on their return from their overseas trips. We will also look at some interesting developments in Taiwan outbound travel.

A word of caution on the official Taiwan outbound travel figures. While they are an accurate record of the total number of overseas departures, they may not always reflect the real numbers for individual countries. This is because the numbers compiled by the Taiwan Tourism Bureau are based on the first port of disembarkation, subsequent destinations are not reflected in the

statistics. Since multi-destination travel is prevalent, particularly among leisure travellers, this inevitably results in under-counting for some destinations. Obviously it is impossible to track and count travellers at each stop. Destination arrival data of Taiwan travellers, if collected, is a much
more accurate indication of numbers for individual countries. Also please note the differences in the totals are due to multiple or non-response.

1.3 Historical Trends

Since government restrictions on overseas travel were lifted in 1989, outbound travel from Taiwan had more than doubled from 2.1 million in 1989 to 6.2 million in 1997, an annual growth of 14.4% over this period. As to be expected, a large bulk of the overseas travel in the initial years was to neighbouring countries in Asia which enjoyed an annual average growth of 11.7%. Long-haul destinations, on much smaller bases, chalked up stronger growth over the same period. Travel to North America increased from 158,848 in 1989 to over half a million (588,916) in 1997, an annual average of growth of 20.5%. Travel to Europe increased from a mere 18,549 in 1989 to 187,522 in 1997, a 33.5% annual average growth, with much higher growth for France, Germany, Italy, Switzerland and the United Kingdom. Australia and New Zealand also shared in this high growth. *(See Exhibit 1).*

Based on the 1997 outbound travel total of 6.2 million and 1996 population estimate of 21.3 million, the incidence of overseas travel from Taiwan is equal to 29% of the population, much higher than Japan and surely among one of the highest in the world. However, a weak economy in 1997 took its toll on outbound travel during which the growth of 7.8% over 1996 failed to match the average of more than 14% since travel curbs were lifted in 1989. Expenditures of overseas travellers also fell noticeably last year. In light of the effects of the economic problems in Asia on Taiwan, growth in outbound travel 1998 would probably remain at the 1997 level.

Exhibit 2. Outbound Travellers x Region
1989-1997

First or Main Destination	*1989*	*1992*	*1997*	*Ann. Av. Growth (%)*
Asia	1,915,893	3,794,401	4,628,200	11.7
North America	157,565	319,742	705,567	20.5
Europe	18,549	35,729	187,522	33.5
Australia/New Zealand	1,056	46,351	84,280	72.9
South Africa	12,211	17,234	1,387	-23.8

Source: Annual Report on Tourism Statistics, Republic of China

Last year, long-haul destinations accounted for 1.5 million departures. The US, Canada and New Zealand were the top three long-haul destinations. Turning to other long-haul destinations, for the first time, traffic to Australia experienced a significant drop of 42.2% in 1997. Travel to

South Africa has dropped dramatically since the South African Government decided to switch diplomatic recognition to Beijing at the end of 1996. But this is expected to change when some form of non-official ties are established.

Europe also enjoyed a growth of 13.5% in 1997 with most major destinations registering increases, except France and the UK which declined by 7.7% and 6.5% respectively.

1.4 Age and Gender

Overseas travellers are dominated by three age groups between 20-49 years old which account for 60% to 70% of total travellers. English-speaking countries in North America, the UK, Australia and New Zealand attracted a higher than average number of visitors aged 19 or under, a large percentage were probably students. The proportion of 50-59 age group (12-13%), was pretty consistent across countries. The percentage of travellers aged 60 and above is higher in countries such as the US, Canada, Australia and New Zealand with relatively large numbers of Taiwanese immigrants. The VFR (visit friends and relatives) content in this age group would be quite high. There has been no dramatic change in age distribution in 1997.

(See Exhibit 4)

Male travellers outnumbered female travellers in Asia - a ratio of 6:4. This is probably due in large part to the high percentage of business travel in Asia. In contrast, female travellers outnumbered male in most long-haul destinations, particularly Australia, New Zealand. In Europe, female travellers showed a preference for Italy, Switzerland and the UK

Exhibit 3. Destination Europe x Gender

	Total	***Male***	***Female***
		%	%
Europe*	165,235	49.8	50.2
France	26,506	51.7	48.3
Germany	39,658	52.7	47.3
Italy	15,661	38.1	61.9
Netherlands	30,982	55.8	44.2
Switzerland	10,226	44.8	55.2
United Kingdom	42,202	46.9	53.1

**1996.*

Exhibit 4. Destination x Age
1996

	Total	*19 or under*	*20-29*	*30-39*	*40-49*	*50-59*	*60 & above*
Asia	4,387,254	7.8	16.3	27.7	25.4	11.4	11.5
North America	671,711	11.7	17.1	23.9	22.0	11.9	13.4
USA	579,488	10.9	18.0	24.7	20.7	11.8	13.8
Canada	92,223	16.5	11.5	18.3	29.6	12.7	11.5
Europe	**165,235**	**7.4**	**20.3**	**28.2**	**22.8**	**11.6**	**9.7**
France	26,506	6.6	18.0	31.4	24.1	11.3	8.6
Germany	39,658	6.2	20.7	27.0	23.7	12.3	10.1
Italy	15,661	5.1	23.3	29.5	20.8	11.6	9.8
Netherlands	30,982	6.7	17.6	30.9	24.7	11.4	8.7
Switzerland	10,226	7.4	22.0	28.0	21.9	11.8	8.8
United Kingdom	42,202	10.4	21.7	25.0	20.6	11.3	10.9
Australia	60,335	13.3	19.9	21.6	21.9	12.5	10.9
New Zealand	50,150	16.1	13.8	19.6	26.0	12.7	11.8
South Africa	15,283	12.8	10.1	20.7	26.7	15.0	14.8
All Travellers	**5,713,535**	**8.4**	**16.6**	**27.0**	**24.8**	**11.5**	**11.7**

Source: Annual Report on Tourism Statistics 1996, Republic of China

1.5 Taiwan Travellers to Europe

The next section focuses on the demographic and travel profiles of Taiwan travellers to Europe. The data are from the annual survey of Taiwan overseas travellers conducted in 1996. The survey was conducted from January to December in 1996. Interviews with 6,159 returning Taiwan

outbound travellers were conducted at the airport in Taipei and other airports. The sampling by destination, age, gender, cities and counties of residence is representative of the total outbound travellers.

Most of the tables in this section include European countries for which breakdown is available, as well as other major long-haul destinations for comparison.

1.6 Demographic Profile

Lifecycle

The largest single group is the married male accounting for 29.5% of travellers to Europe. Other significant groups are single female (17.4%), homemakers most likely travelling with their spouse (13.6%) and young people (12.2%). Similar distribution pattern and order of magnitude by and large prevail in individual European countries with some exceptions - working women were particularly drawn to France, Germany and Italy, while young people showed a clear preference for Switzerland and the UK Many of the young visitors to the UK could be going for educational purpose.

Among other long-haul destinations, the three most important groups are married male, single female, with the exception of South Africa for which the two most important were undoubtedly married male (46.9%) and working women (25%). Clearly, the older and more sedate cultures of Europe had a greater appeal for the older travellers who formed less than 6% of travellers to the younger countries of US, Canada, Australia and New Zealand.

(See also Exhibit 5))

Occupation

More than half of the travellers to Europe were generated by three occupation groups - manufacturing (19.9%), student (17.8%), government (17.6%). Analysis of individual countries showed that the Netherlands attracted an above average proportion of travellers in clerical and service occupations. Spain and France had an above average proportion of people in professional occupations, while Italy had a significant proportion in clerical occupations.

Compared to Europe, the manufacturing group was less important than the professional group in the US, Canada and Australia, while the clerical group was more significant in Australia and New Zealand than the US and Europe.

(See Exhibit 6)

Exhibit 5. Long-Haul Destinations x Lifecycle 1996

	Total	Youth	Single Male	Married Male	Single Female	Professional Women	Home-maker	Seniors
		%	%	%	%	%	%	%
Austria	58	5.2	6.9	32.8	17.2	8.6	17.2	12.1
France	112	16.1	2.7	29.5	16.1	12.5	12.5	10.7
Germany	77	5.2	11.7	39.0	13.0	13.0	10.4	7.8
Italy	74	16.2	4.1	25.7	14.9	18.9	12.2	8.1
Netherlands	79	6.3	12.7	29.1	16.5	8.9	12.7	13.9
Spain	18	5.6	5.6	27.8	44.4	0	11.1	5.6
Switzerland	77	16.9	1.3	27.3	11.7	9.1	19.5	14.3
UK	78	17.9	7.7	24.4	26.9	2.6	12.8	7.7
	573	12.2%	6.5%	29.5%	17.4%	10.3%	13.6%	10.5%
USA	360	8.1	9.2	38.6	13.3	15.8	9.2	5.8
Canada	289	11.4	11.1	32.5	19.0	14.2	8.0	3.8
Australia	161	5.0	11.2	34.8	16.8	16.1	12.4	3.7
N. Zealand	124	8.1	3.2	37.9	17.7	16.9	11.3	4.8
South Africa	32	3.1	3.1	46.9	3.1	25.0	9.4	9.4
Long-Haul	1,539	9.8	8.1	33.8	16.4	13.8	11.1	7.0
All Countries	7,248	6.1	10.7	38.1	16.9	14.5	7.4	6.3

Source: 1996 Annual Survey Report of R.O.C. Outbound Travellers

Exhibit 6. Destination x Occupation

	Total	Govt.	Professional	Technical	Clerical	Service	Manuf.	Student	Others
Austria	58	20.7	8.6	5.2	8.6	8.6	22.4	17.2	8.6
France	112	15.2	17.0	0.9	9.8	8.9	17.9	20.2	.10.0
Germany	77	23.4	10.4	9.1	9.1	10.4	16.9	11.7	9.1
Italy	74	18.9	13.5	4.1	16.2	5.4	17.6	17.6	6.8
Netherlands	79	20.3	10.1	7.6	13.9	13.9	21.5	5.1	7.6
Spain	18	16.7	22.2	16.7	5.6	5.6	16.7	11.1	5.4
Switzerland	77	19.5	11.7	5.2	5.2	2.6	27.3	20.8	7.8
UK	78	7.7	11.5	2.6	10.3	7.7	17.9	32.1	10.2
Sub-Total	573	17.6	12.6	5.1	10.3	8.2	19.9	17.8	8.5
USA	360	16.1	16.1	5.8	13.6	15.0	10.3	11.7	11.4
Canada	289	15.6	17.6	5.2	15.2	10.7	9.0	18.0	8.6
Australia	161	14.3	17.4	5.0	16.8	11.8	12.4	11.2	11.1
N. Zealand	124	12.9	12.1	5.6	20.2	13.7	11.3	12.1	12.1
S. Africa	32	12.5	12.5	9.4	9.4	18.8	12.5	3.1	21.8
Long-Haul	**1,539**	**16.0**	**14.8**	**5.4**	**13.5**	**11.3**	**14.0**	**14.9**	**10.1**
All Countries	7,208	20.7	12.2	8.1	12.5	14.3	9.9	9.7	12.6

Source: 1996 Annual Survey on R.O.C Outbound Travellers

1.7 Travel Profile

Purpose of Trip

Nearly three in four of Taiwan travellers to Europe were on holiday, 9.2% were on business and 8% were students. The percentage of holiday travellers was particularly high in Italy (78.8%) and Switzerland (82.6%). Germany had a high percentage (18.1%) of business travellers, while students were the second largest group of travellers to the UK (18.6%).

More than 80% of the Taiwan travellers were in Australia and New Zealand for holidays.
In contrast, 58.8% of the travellers to the US were on holiday, while 17.8% were on business and 16.1% were visiting their relatives and friends (VFR). Two thirds of the visits to Canada were for holidays, 19.4% were VFR.

Taking all long-haul travellers together, holiday travellers made up 70.2%, VFR, 12.2% and business, 9.7% of total.

(See Exhibit 7)

Travel Arrangement

Three in four of the travellers to Europe were on package tours. Travellers to Switzerland, Spain, Italy and France showed a marked preference for package tours. Nearly nine out of ten travellers to Switzerland and Spain were on package tours.

In contrast, there was much less reliance on package tours among travellers to the US and South Africa, where there was an even split between package tours and independent travel (F.I.T.). This can be explained by the above average incidence of business and VFR trips in these two countries.

Overall, about two thirds of the long-haul travellers were on package tours.

Exhibit 7. Destination x Purpose of Trip and Travel Arrangement

	Purpose of Trip				Travel Arrangement		
	Holiday Sightseeing	*Business*	*Visit Friends Relatives*	*Convention*	*Study*	*Package Tour*	*Non-Package*
Austria	76.1	4.2	7.0	4.2	8.5	69.0	31.0
France	75.0	7.8	7.0	2.3	7.8	81.3	18.8
Germany	60.6	18.1	6.4	6.4	7.4	63.6	36.4
Italy	78.8	8.8	2.5	3.8	6.3	86.5	13.5
Netherlands	76.7	10.5	11.6	-	-	64.6	35.4
Spain	68.4	5.3	10.5	5.3	10.5	88.9	11.1
Switzerland	82.6	8.1	1.2	1.2	7.0	89.6	10.4
UK	66.3	7.0	4.7	2.3	18.6	76.9	23.1
Sub-Total	73.4	9.2	6.0	2.9	8.0	76.8	23.2
USA	58.8	17.8	16.1	1.5	3.4	55.8	44.2
Canada	66.6	6.0	19.4	-	7.8	54.0	46.0
Australia	82.5	3.4	11.9	-	2.3	78.3	21.7
N. Zealand	85.6	3.0	9.1	-	2.3	65.3	34.7
S. Africa	59.5	16.7	23.8	-	-	50.0	50.0
Long-Haul	70.2	9.7	12.2	1.4	5.7	66.2	33.7

Length of Stay

Nearly three in four of travellers to Europe stayed between 5-15 nights giving an average of 12.1 nights, with longer stays for visitors to the Netherlands, France and the UK

(See Exhibit 8)

Exhibit 8. Length of Stay x Destination
1996

	Total	*4 or under* %	*5 to 7* %	*8 to 15* %	*16 to 30* %	*31 to 60* %	*Average (nights)*
Asia	3,729,791	42.8	26.6	16.7	7.5	6.4	9.2
North America	457,827	10.9	21.5	37.9	18.3	11.4	14.7
USA	417,987	11.5	22.0	36.7	18.2	11.6	14.6
Canada	39,182	2.1	16.1	51.3	18.8	11.7	15.4
Europe	96,501	7.7	35.6	36.9	13.8	6.0	12.1
France	16,038	7.4	23.1	45.1	19.8	5.8	12.9
Germany	22,912	7.2	57.4	25.7	5.7	4.0	9.9
Italy	1,921	0.3	20.7	69.3	8.4	1.3	11.4
Netherlands	26,841	7.2	24.4	43.1	18.0	7.2	13.2
Switzerland	8,216	3.3	65.1	23.1	6.0	2.4	9.4
United Kingdom	20,573	12.4	25.1	37.2	16.4	8.9	12.4
Australia	28,099	1.4	48.3	39.5	5.9	4.9	11.2
New Zealand	23,317	1.2	46.9	35.5	8.4	8.0	13.0
South Africa	8,088	1.7	14.8	59.1	14.4	9.9	15.9
All Travellers	5,308,910	37.3	26.8	20.5	8.6	6.7	9.8

Source: Annual Report on Tourism Statistics 1996, Republic of China

Information Sources

The travel agent was the most important source of information used by nearly one third of the travellers. Other major information sources were travel magazines and guide books (16.9%), newspapers and magazines (15.6%) and relatives, co-workers and neighbours (14.7%).

The travel agent was also frequently used by travellers to other long-haul destinations. Given the extensive family connections, it is not surprising that relatives and friends was almost as important as the travel agent as an information source for travellers to the US Family and friends were also important for Canada and New Zealand.

Travellers did not make much use of foreign tourist bureaus or tourist information centres in Taiwan.

Exhibit 9. Destination x Information Sources

	Travel Agent	Newspapers Magazines	Travel Magazines Guide Books	Relatives Co-workers Neighbours	TV	Foreign Organ.	Int'l Trade Exhibition	Tourist Service Centre
	%	%	%	%	%	%	%	%
Austria	32.6	13.7	22.1	11.6	2.1	5.3	3.2	2.1
France	33.5	15.3	17.0	17.0	--	2.8	2.8	1.1
Germany	31.5	14.6	17.7	18.5	1.5	3.1	1.5	2.3
Italy	34.5	20.2	11.8	15.1	3.4	2.5	1.7	0.8
Netherlands	31.5	14.6	17.7	18.5	1.5	3.1	1.5	2.3
Spain	38.5	15.4	15.4	7.7	7.7	--	--	--
Switzerland	36.6	18.7	13.8	14.6	1.6	2.4	1.6	2.4
UK	27.4	11.1	20.7	12.6	1.5	7.4	3.0	6.0
Sub-Total	32.1	15.6	16.9	14.7	1.7	3.5	2.4	2.4
USA	27.8	11.7	9.4	26.6	1.0	0.8	0.4	2.9
Canada	30.2	15.9	14.7	23.1	0.5	2.0	2.0	1.5
Australia	34.6	18.8	16.9	19.2	1.8	1.2	1.5	2.3
N. Zealand	30.8	14.2	18.9	24.2	2.4	1.4	1.9	3.8
S. Africa	40.4	21.2	7.7	13.5	--	5.8	--	1.9
Long-Haul	31.6	15.4	15.1	20.2	1.4	2.2	1.7	2.5

Source: 1996 Annual Survey Report on R.O.C. Outbound Travellers

Trip Expenditures by Region

Expenditures in Asian regions have been included to give an idea of where long-haul destinations, specifically Europe, stands cost-wise in relation to other regions nearer home.

A glance at the following table clearly indicates that Europe is the most expensive destination on all counts from the tour package to shopping, food and beverage. This can be explained by the high costs in Europe, and the fact that more countries are usually included in a trip to Europe. The fact that travellers are more likely to have relatives and friends who would entertain and offer them hospitality in the US and Canada and, perhaps to a lesser extent, in Australia/New Zealand, could be another contributory factor which helped to boost expenses in Europe. These should be borne in mind when looking at the expenditure figures.

A tour package to Europe cost NT$59,170, way above Australia/New Zealand (NT$49,320) and US/Canada (NT$45,096). Similarly, shopping in Europe averaged NT$19,402 compared to NT$15,704 in Australia/New Zealand and NT$14,223 in the US/Canada. Eating out in Europe costing NT$3,994 is way above US/Canada (NT$2,880) and Australia/New Zealand (NT$2,423). All of these are reflected in the bottom line. The average total expenditure of someone on a package tour in Europe was NT$85,182, well above Australia/New Zealand (NT$69,366) and the US/Canada (NT$63,951).

Exhibit 10. Expenditure of Package Tourists x Destination

Item		China Hong Kong Macau	South East Asia	North East Asia	US Canada	Europe	Australia New Zealand	Others	Average
Tour	NT$	23,604	18,839	29,797	45,096	59,170	49,320	33,121	31,498
Package	Rank	**6**	**7**	**5**	**3**	**1**	**2**	**4**	--
	%	64.9	64.5	64.5	70.5	69.5	71.1	73.5	67.5
Shopping		9,787	8,132	12,967	14,223	19,402	15,704	8,929	11,654
		5	**7**	**4**	**3**	**1**	**2**	**6**	--
	%	26.9	27.8	28.1	22.2	22.8	22.6	19.8	24.9
Food and		1,986	1,237	2,308	2,880	3,994	2,423	1,970	2,156
Beverage		**5**	**7**	**4**	**2**	**1**	**3**	**6**	--
	%	5.5	4.2	5.0	4.5	4.7	3.5	4.4	4.6
Miscell.		1,004	1,021	1,137	1,752	2,616	1,919	1,063	1,337
		7	**6**	**4**	**3**	**1**	**2**	**5**	--
	%	2.8	3.5	2.5	2.7	3.1	2.8	2.4	2.9
Total	**100%**	**36,381**	**29,229**	**46,209**	**63,951**	**85,182**	**69,366**	**45,083**	**46,645**
	Rank	**6**	**7**	**4**	**3**	**1**	**2**	**5**	--

Source: 1996 Annual Survey Report on R.O.C. Outbound Travellers

Expenditures of Independent Travellers

As to be expected, the expenditure of independent travellers (F.I.T.), is considerably higher than those on package tours. The average total expenditure of an F.I.T. to Europe was NT$93,727, way above the US/Canada (NT$71,420) and Australia/New Zealand (NT$63,647). The largest part of this goes to the return airfare to destination. This amount to NT$34,362 (36.7%) for Europe, NT$29,253 (42%) for the US/Canada and NT$25,509 (40%) for Australia/New Zealand. Accommodation in Europe cost NT$17,533 (18.7%) versus NT$7,988 (11.2%) for US/Canada and NT$6,894 (10.8%) for Australia/New Zealand. Food and beverage also cost more in Europe - NT$10,645 (11.4%) compared to NT$8,958 (12.6%) for the US/Canada and NT$7,238 (11.4%) for Australia/New Zealand. But the cost of entertainment/recreation in Europe was lower than the other two regions - NT$4,867 (5.2%) versus NT$5,883 (9.2%) for Australia/New Zealand and NT$5,080 (7.1%) for the US/Canada. Travellers spent NT$20,900 on shopping in Europe, substantially higher than Australia/New Zealand (NT$14,577) and the US/Canada (NT$14,362). A glance at the following table will confirm that Europe is the most expensive long-haul destination on all counts.

(See Exhibit 11)

Exhibit 11. Independent Travellers Expenditure x Destination

		China Hong Kong Macau	***South East Asia***	***North East Asia***	***US Canada***	***Europe***	***Australia New Zealand***	***Others***	***Average***
Transport to destination	NT$	11,514	14,039	14,253	29,253	34,362	25,509	21,359	15,522
	Rank	**7**	**6**	**5**	**2**	**1**	**3**	**4**	--
	%	29.4	34.9	27.7	42.0	36.7	40.1	40.1	32.9
Local transport		1,878	1,695	2,175	2,968	4,342	2,397	2,345	2,114
		6	**7**	**5**	**2**	**1**	**3**	**4**	--
	%	4.8	4.2	4.2	4.1	4.6	3.8	4.4	4.5
Shopping		8,821	7,367	15,914	14,362	20,900	14,577	7,587	10,528
		5	**7**	**2**	**4**	**1**	**3**	**6**	--
	%	22.5	18.3	30.9	20.2	22.3	22.9	14.3	22.4
Accommod.		7,046	7,221	7,575	7,988	17,533	6,894	10,594	7,806
		6	**5**	**4**	**3**	**1**	**7**	**2**	--
	%	18.0	18.0	14.7	11.2	18.7	10.8	19.9	16.6
Food and Beverage		6,045	5,864	6.670	8,958	10,645	7,238	6,291	6,561
		6	**7**	**4**	**2**	**1**	**3**	**5**	--
	%	15.4	14.6	13.0	12.6	11.4	11.4	11.8	13.9
Entertainment Recreation		3,023	3,045	3,742	5.080	4,867	5,883	3,959	3,480
		7	**6**	**5**	**2**	**3**	**1**	**4**	--
	%	7.7	7.6	7.3	7.1	5.2	9.2	7.4	7.4
Miscell.		891	993	1,091	1,946	1,078	1,149	1,076	1,044
		7	**6**	**3**	**1**	**4**	**2**	**5**	--
	%	2.3	2.5	2.1	2.7	1.2	1.8	2.0	2.2
Total	**100%**	**39,224**	**40,224**	**51,420**	**71,420**	**93,727**	**63,647**	**53,211**	**47,055**
	Rank	**7**	**6**	**5**	**2**	**1**	**3**	**4**	--

Source: 1996 Report on R.O.C. Outbound Travellers

Components of Package Tours

The analysis of the components of package tours to the various regions based on interviews with travel agents provide some interesting insights. It should be remembered that these are estimates.

As to be expected, the bulk of the tour cost - 50% or more is taken up by the return air fare to destination. The accommodation component took up 26.1% of the tour package to Europe versus 15.5% for US/Canada and 12.5% for Australia/New Zealand. The food and beverage component in percentage terms is about in line with the other long-haul destinations.

(See Exhibit 12)

Exhibit 12. Components of Package Tours x Region

	China	***South***	***North***	***US***	***Europe***	***Australia***	***Average***

		Hong Kong Macau	***East Asia***	***East Asia***	***Canada***		***New Zealand***	
Transportation	NT$	11,606	9,908	15,341	28,714	34,075	30,105	16,746
	%	49.2	52.6	51.5	63.7	57.6	50.9	53.2
Accommodation		6,112	4,560	7,209	6.971	15,420	7,422	7,417
	%	25.9	24.2	24.2	15.5	26.1	12.5	23.5
Food and		5,239	3,682	6,283	7,866	9,371	7,838	6,204
Beverage	%	22.2	19.5	21.1	17.4	15.8	13.2	19.7
Miscellaneous		647	689	964	1,545	304	3,955	1,131
Total	**100%**	**23,604**	**18,839**	**29,797**	**45,096**	**59,170**	**49,320**	**31,498**

Source: 1996 Annual Survey Report of R.O.C. Outbound Travellers

1.8 Recent Developments

A development which should be of interest to Europe is the planned opening of a direct route between Taipei and Moscow probably to be serviced by China Airlines and Russia’s Transavia. This means travel to Russia and the Eastern European countries will likely expand in the years ahead.

Another interesting development is that as Taiwan travellers become more experienced international travellers, they tend to travel on their own rather than on package tours. In response to this trend, travel agencies as well as airlines, have begun offering individual travel (FIT) packages.

Yet another exciting trend is the fast growing popularity of cruises among Taiwan travellers. The cruise business is becoming a high-growth and high-profit segment of Taiwan’s outbound travel industry which has been growing steadily at 10-15% annually for the past three years. This is expected to continue. According to a leading travel agency, Taiwan is the second biggest cruise market in Asia after Hong Kong, for the global cruise industry. More than 5,000 Taiwan travellers went on cruises in Alaska, the Caribbean and Mediterranean in 1996.

2. TRAVEL TRADE SURVEY

2.1 The Taiwan Travel Trade

The roles of wholesale tour operators and retail travel agencies in Taiwan are not as clearly defined as in the West. Companies that are primarily travel wholesalers sell their products through retail travel agencies, although many also sell their tours directly to the public. Some (wholesalers) also carry out standard retail and ticketing activities. Some companies that are primarily large retailers also sell their own tour products through their retail outlets.

The number of travel agencies in Taiwan has increased dramatically since 1988 when the government lifted a eight and a half year freeze on licences for new agencies. Under the new regulations, travel agencies are divided into three categories:

- ***General class***. Agencies permitted to handle wholesale, inbound and outbound business;
- ***Class A***. Agencies permitted to carry out inbound and outbound business;
- ***Class B.*** Agencies restricted to domestic travel.

Agencies must meet specific operational requirements (e.g. floor space, employee qualifications) as well as capital requirements to qualify for a particular class of licence.

Since the restrictions on new agencies were lifted, their number has increased from 559 in 1988 to 1,596 today. Most of this growth in recent years is in Class A agencies totalling 1,435 (including 462 branch offices) or 90% of the agencies in Taiwan.

Taiwan's outbound tour market is controlled by a small percentage of wholesalers and retailers, although the number of newcomers has increased in recent years as the outbound market expanded. It is estimated that 65% of the outbound tour business is controlled by about 10 wholesalers and perhaps an additional 20% by a few large retailers.

The major tour wholesalers in Taiwan are listed below:

- Comfort Travel Service
- Gloria Travel Service
- South East Travel Service
- Richmond International Travel and Tours
- Pro Tour Express
- Capital Travel Service

2.2 Objective of the Travel Trade Survey

- To get an indication of the current and future sales and bookings of Taiwan travel to Europe vis-à-vis other long-haul destinations.
- To identify factors that encourage or inhibit Taiwan holiday travel to Europe.
- To assess the influence of the agent on travel decisions and choices.
- To identify promotional tools most useful in helping the agent sell Europe.

2.3 Respondents Business Profile

- 83% were wholesale tour operators.
- 57% had been in business for 5 or more years.
- 70% were independent companies with one office.
- For the past year, 97% of them conducted 25-30% of their business to Europe.
- Travel to Canada made up less than 25% of their business for 88% of the respondents in the past year.

Exhibit 1. Sample Profile

TOTAL	**N=30**	**% of Total**
Type		
Wholesale Tour Operator	25	83
Retail Travel Agent	5	17
Years in Business		
3-5 years	13	43
5 years +	17	57
Company Size		
Independent (1 office)	21	70
Chain (2 or more branches)	9	30
% Business to Europe		
25-30	29	97
30+	1	3
% Business to Canada	N=17	
Less than 25	15	88
25-30	2	12

Annual Sales and Passenger Bookings

- Because of the high refusal rate, responses to these questions must be viewed with great caution. Half of the respondents declared annual sales of NT$100-250 million. In terms of passenger volume, 20% handled less than 2,500 annually, while 13% each estimated 3,000-7,000 and 10,000-72,000.

Exhibit 2. Total Annual Sales and Passengers Volume

BASE: 30

	Sales Volume	**Passenger Volume**	
	100%	100%	
NT$(Million)			
Less than 100	27	2,500 or less	20
100-150	40	3,000-7,000	13
150-250	10	10,000-72,000	13
Don't know/Refused	23	Don't know/Refused	53

Business by Region and Trip Purpose

- 36% of their sales were to Asia, followed by Europe with 22%, Australia/New Zealand with 16% followed closely by the US with 15%. Sales to Canada made up only 7% of total sales.
- In terms of passenger volume by rank, Asia topped the list with a mean rank of 1.31, followed by Europe (2.80), the US (3.13), Australia/New Zealand (3.23) and Canada (4.47).

- 87% of their business to Europe were for holiday travel with a higher percentage (90%) for Canada.

Business by Travel Arrangement

- 91% of their business to Europe and 93% to Canada was for package tours, higher than all long-haul travel (85%).

- They expect the percentage of package sales would drop in the next three years to 84% for Europe and 87% for Canada, with a corresponding increase in independent travel to 16% and 13% respectively.

(See Exhibits 3-5)

Exhibit 3. Percent of Business by Region

BASE: 30

Region/Country	Total Sales 100%	Mean Rank (Sales)	Mean Rank (Passengers)
Asia	36	1.28	1.31
Europe	22	2.90	2.80
Australia/New Zealand	16	3.27	3.23
USA	15	3.17	3.13
Canada*	7	4.26	4.47
Mean	NT$125 million		10,607 pax

Excluding those who did not rank the area

Exhibit 4. Percent of Business by Purpose

BASE: 30		Holiday %	Business %
Total	100%	86	14
Europe	100%	87	13
Canada	100%	90	10

2.3 Package Tours to Europe

- A large majority (77%) of respondents felt that full package tours would show the greatest increase among travellers in the next three years, with only 20% mentioning package which includes flight, rail and accommodation.

Average Group Size

- The average size of nearly half of the tour packages to Europe was between 10-24 people with about 33% exceeding 25, while 59% of the tour packages to Canada had 10-24 people. *(See Exhibit 6)*

Exhibit 5. Business by Travel Arrangement

BASE: 30

Package **Independent**

	%	%
Past Year		
Europe	91	9
Canada	93	7
All long-haul	85	15
Next Three Years		
Europe	84	16
Canada*	87	13

**Canada: Base = 17*

Exhibit 6. Average Group Size of Tour Package

BASE: 30

	Europe	**Canada***	**Other Long-Haul**
Group Size	100%	100%	100%
10-24	47	59	47
25+	33	12	20
Don’t know	20	29	33

**Canada: Base = 17*

Lead Time in Planning Tours

- Two thirds of the respondents started planning their package tours between one o five months before tour departure, 20% started planning 6-10 months with 13% planning as far as one year or more before departure.

- The majority (70%) made their ground arrangements 3-4 weeks before tour departure.

(See Exhibit 7)

Exhibit 7. Package Tours: Lead Time in Planning Making Ground Arrangements

BASE: 30

	Planning 100%	**Ground Arrangements** 100%	
1-2 months	40	1-2 weeks	17
3-5 months	27	3 weeks	30
6-10 months	20	4 weeks	40
12+ months	13	6 weeks +	13
Mean (month)	4.73	Mean (week)	3.80
Median (month)	3.00	Median (week)	4.00

Difficulties in Organising Tours to Europe

- A major difficulty was in booking air tickets, cited by 47% of respondents. 17% said they had to cancel tours because of bad weather in Europe. Other reasons were:
  - clients have difficulty scheduling a long holiday
  - insufficient number to form a group
  - the high air fare and infrequent flights to Europe.

Maximum Taiwanese Prepared to Pay for Trip to Europe

- The average clients were prepared to for a one-week trip covering two countries was NT48,933 (US$1,780). Respondents reckoned two thirds were willing to pay NT$30,000-50,000 (US$1,090-1,820) while one third would be prepared NT$55,000-70,000 (US$2,000-2,225)
- The average for a two-week trip visiting five countries was NT$80,000 (US$2,910). They figured about one quarter (23%) would be willing to spend NT$100,000-130,000 (US$3,640-4,730) on their trips to Europe.

(See Exhibit 8)

Exhibit 8. Maximum Prepared to Pay for Holiday in Europe

BASE: 30

	One Week Two Countries		Two Weeks Five Countries
NT$	100%	***NT$***	100%
30,000-38,000	23	40,000-50,000	13
40,000-50,000	43	60,000-70,000	27
55,000-70,000	33	80,000-95,000	37
		100,000-130,000	23
Mean (NT$)	48,933 US$	Mean (RM)	80,000 US$
Median(NT$)	50,000 US$	Median (RM)	80,000 US$

US$ = NT$

2.4 Holiday Travel in Europe

Destination Choice Factors

Respondents were asked to rate the importance of various attributes in the choice of Europe for a holiday destination. The top five attributes are:

* good connections with major airlines
* attractively priced tour packages
* inexpensive to travel to country
* Outstanding scenery
* Good local transportation

When asked which three of the listed factors have the greatest potential for attracting future Taiwan travellers to Europe, the following were named by the majority:

- attractively priced tour packages
- outstanding scenery
- good connections with major airlines

The three most important reasons for clients choosing to go to Europe for a holiday are:

- outstanding scenery
- interesting culture/history & special cultural differences
- pleasant climate

Exhibit 9. Destination Choice Factors

Base: 30 *Row Percentage*	Mean Rating	Very Important %	Important %	Fairly Important %	Not Important %
Good connections with major airlines	3.63	63	37	0	0
Attractively priced tour package	3.47	57	33	10	0
Inexpensive travel to country	3.43	43	57	0	0
Outstanding scenery	3.40	40	60	0	0
Good local transportation	3.33	37	60	3	0
Feeling safe and secure	3.30	43	43	13	0
Environment is clean and unpolluted	3.27	33	60	7	0
Pleasant climate	3.23	27	70	3	0
Good shopping	3.20	30	60	10	0
Destination offers good value	3.17	27	63	10	0
Ease of obtaining visas	3.07	33	43	20	3
Places I can talk about when I go home	3.07	17	73	10	0
Interesting culture and history	2.93	10	73	17	0
Famous art galleries and museums	2.93	7	80	13	0
Famous historic sites and monuments	2.90	17	57	27	0
Good place for a honeymoon	2.83	10	63	27	0
Activities/attractions for whole family	2.83	10	67	20	3
Good food and restaurants	2,80	7	67	27	0
Interesting local festivals	2.80	7	67	27	0
Interesting towns and cities	2.77	7	63	30	0
Friendly, courteous people	2.73	10	53	37	0
Good beaches	2.63	7	53	37	3
Plenty of night life and entertainment	2.60	10	40	50	0
Theatre, concerts and musicals	2.60	7	47	47	0

Exhibit 10. Factors and Reasons for Favouring Europe

BASE: 30

	1st Choice	Top 3 Mentions (Total)
Factors		
Attractively priced tour packages	5	12
Outstanding scenery	4	13
Good connections with major airlines	4	13
Three Most Important Reasons		
Outstanding scenery	12	21
Interesting/special culture differences	4	15
Pleasant climate	3	7

Barriers of Travel to Europe and Canada

The greatest barriers of travel to Europe are:

- language barrier (43%)
- long plane journey (33%)
- high price (23%)
- not used to food (13%)

The barriers of travel to Canada are:

- language barrier (35%)
- long plane journey (18%)
- hard to put a group together (12%)

Complaints of Travellers to Europe and Canada

The major complaints of returning travellers from Europe and Canada are: the long flight, unaccustomed to local food and language barrier. The long wait in transit to change aircraft and hotel accommodation described by returning travellers as “old fashioned”, “poor facility and quality” were mentioned in connection with Europe. Returning travellers were also unhappy that some tourist attractions are shut during the winter.

Favourite Destinations

- The top five business destinations based on a combination of first choice and total of top five mentions are: **Paris**, **London**, **Rome**, **Frankfurt** and **Vienna**.
- The top five holiday destinations are: **Paris**, **Rome**, **Venice**, **Amsterdam** and **London**.
- The top five destinations for any purpose are: **Paris**, **Rome**, **London**, **Venice**, **Vienna**.

(See Exhibit 11)

Less Popular Destinations

- 20% did not mention any destination that will be less popular.
- Unused to cold weather is the most often mentioned reason for the declining popularity of northern European destinations, such as Iceland, Finland, Sweden, England.
- Other common reasons were few attractive sightseeing places and too many tourists, mentioned in relation to Brussels, Paris, Berlin, Warsaw and others.
- Expensive is another major reason for the decline in popularity of Greece, Paris, London and some others.

Exhibit 11. Top Five European Destinations

	BUSINESS		**HOLIDAY**		**ANY PURPOSE**	
Base: 30	**1st Choice**	**Total Mentions**	**1st Choice**	**Total Mentions**	**1st Choice**	**Total Mentions**
Paris	11	28	11	28	7	20
London	6	25	4	16	3	17
Rome	5	25	4	18	5	18
Frankfurt	2	12	--	--	--	--
Vienna	1	14	--	--	2	12
Venice	-	--	5	16	6	13
Amsterdam	-	--	3	24	0	20

Sales Support, Promotional and Sales Tools

- It is significant to note that 16 out of 30 of the respondents did not receive any sales support from any organisation. More than half (57%) of the organisations from which materials were received were tourism bureaus and 43% were airlines. Three European national tourist organisations mentioned by name were: the British Tourist Authority, the tourism bureaus of Italy and France.

- Promotional or sales tools currently used by one third or more of the respondents are:
    - Consumer advertising
    - Joint promotion with tour wholesalers
    - Travel magazines and newspaper articles
    - Travel trade advertising
    - Travel video tapes
    - Experiences and feedback from clients

- Surprisingly, brochures which are the top sales tool for Malaysia and Thailand, was mentioned by only 7 out of 30 respondents in Taiwan.

- The results show a big gap in some of the items between what they are currently using and what they would like to have to help them sell Europe. Noticeable gaps are:

    - Travel trade advertising
    - Travel video tapes
    - Slides/film shows and lectures
    - Brochures/leaflets
    - Seminar/training programmes
    - Direct mail
    - Availability of package tours
    - News release/updates on special events

- It is noteworthy that most of the items listed above are of an educational and informational nature. Agents and tour wholesalers need to <u>know</u> about the destinations they are selling.

(See Exhibit 12)

- When asked to rank the three most useful tools in helping them sell European destinations they voted for:
    - Joint promotions with tour wholesalers
    - Consumer advertising
    - Travel video tapes

Exhibit 12. Promotional Tools for Selling Travel To Europe

BASE: 30

	Currently	Would like to

	Using	**Have**
	30	30
Consumer advertising	22	22
Joint promotion with tour wholesalers	18	19
Travel magazine/newspaper articles	15	17
Travel trade advertising	14	22
Travel video tapes	12	17
Experiences and feedback from clients	11	12
Slides/film shows and lectures	8	11
Brochures/leaflets	7	12
Familiarisation tours	5	6
Point of sale and display materials	5	6
Reference and information materials	5	6
Seminar/training programmes	3	6
Direct mail	3	9
Personal sales calls and meetings	2	2
National tourist offices	2	2
Availability of package tours	1	4
News release/updates on special events	1	8
Trade shows in Europe	1	1
Internet/CD ROM	0	0

Exhibit 13. Most Useful Tools in Promoting European Destinations

BASE: 30	1st Choice	Top 3 Mentions (Total)
Joint promotions with tour wholesalers	6	13
Consumer advertising	4	16
Travel video tapes	5	9
Slide/film shows and lectures	3	7
Travel trade advertising	2	9
Brochures	2	5
Experience and feedback from clients	2	5
Seminar/training programmes	2	2

- When asked what more NTOs can do to help them sell European destinations, 16 out of 30 said "nothing". The single most important tool, mentioned by 10 of the 14 remaining respondents, is "brochure introducing sightseeing sites, transportation and culture".

- They felt the most cost-effective media for promoting European destinations in Taiwan are:
  - Consumer advertising (73%)
  - Travel trade press (67%)
  - TV advertising (57%)
  - Consumer magazines (47%)
  - TV programmes (33%)

(See Exhibit 14)

- Only one out of 30 respondents attended a travel trade show in Europe - BIT Milan.

2.5 Travel Trade's Service Influence on Clients

- Choice of destination was rated as the service respondents most often provided to clients. This was followed by choice of tour package, recommendation of local sightseeing tours, assistance with visa application.

- Agents' advice was less often sought in arrangement of side trips to nearby destinations and accommodation

- Respondents felt they have considerable influence in most areas particularly in the choice of accommodation., airline and tour package and in planning their clients' itinerary.

(See Exhibits 15 and 16)

Exhibit 14. Most Effective Media for Destination Promotion

	Total	Wholesaler	Retailer	Independent	Chain
Base:	30	25	5	21	9
	%	%	%	%	%
Newspapers	73	72	80	67	89
Travel trade press	67	72	40	62	78
TV advertising	57	52	80	62	44
Consumer magazines	47	44	60	48	44
TV programmes	33	32	40	38	22

Exhibit 15. Services to Clients

BASE: 30	Mean Rating	Very Often (3)	Quite Often (2)	Rarely (1)
Row Percentage		%	%	%
Choice of destination	2.17	33	50	17
Choice of tour package	2.17	23	70	7
Local sightseeing tours	1.93	17	60	23
Visa application	1.90	40	10	50
Planning itinerary	1.77	13	50	37
Choice of airline	1.67	7	53	40
Arrange airport transfers	1.67	17	33	50
Side trips to nearby destinations	1.57	3	50	47
Choice of accommodation	1.57	3	50	47

Exhibit 16. Travel Trade's Influence on Clients

BASE: 30

Row Percentage	**Mean Rating**	**Very Influential %**	**Influential %**	**Fairly Influential %**	**Not Influential %**
Type of accommodation	3.07	30	47	23	0
Choice of airline	2.97	30	40	27	3
Type of tour package	2.97	7	83	10	0
Time of year to travel	2.97	27	50	17	7
Planning itinerary	2.83	3	77	20	0
Local sightseeing tours	2.80	17	53	23	7
Type of transportation used at destination	2.80	20	43	33	3
Specific tourist sites to visit	2.77	10	57	33	0
Specific countries/cities	2.70	10	57	27	7
Type of activities	2.70	10	57	27	7

2.6 Trip Cancellations

- Since only 3 out of 30 respondents had cancellations the results are not meaningful.

2.7 Future Outlook for Travel to Europe

- Short-term (1-2 years) factors likely to affect travel to Europe are:
  - Flight safety (33%)
  - Economic growth in Taiwan (17%)
  - Strength of the U.S. dollar (17%)
  - Political stability in Europe (7%)

- Medium-term (3-4 years) factors are similar to the above. Political stability in Europe and economic growth in Taiwan have become more important.
  - Economic growth/stability (43%)
  - Political stability in Europe (37%)
  - Flight safety (27%)
  - Unstable economic situation in Asia (27%)

3. CONSUMER SURVEY

The key points of the Consumer Survey on past and potential Taiwan holiday travellers to Europe are presented in the following sections;

1. The Travel Experience
2. The Decision-Making and Planning Process
3. The Trip Itself
4. Long-Haul Holiday Travel Motivation
5. Future Long-Haul Travel
6. The Next Holiday Trip to Europe
7. Media Habits

3.1 The Travel Experience

- The Taiwan long-haul holiday market, as defined for this study, consists of residents of Taipei, Kaoshiung and Taichung; aged 20 or over who have :
  - Taken a long-haul holiday, defined as travel out of Asia, in the previous five years;
  - Or had a firm intention of taking one within the next three years and included Europe as a destination for at least one of these past or future trips.
  - Respondents also had to live in households with an average monthly income of NT$40,000 or more.

- More than half (57%) of the respondents had taken a long-haul holiday in the last five years, with nearly half (47%) having been to Europe. Eight out of ten (81%) said they plan to take a long-haul holiday in the next three years, with three in four (74%) intending to visit Europe.

- It is important to note that the results from this survey do not represent the travel experience, attitudes, motivations and intentions of the Taiwan population *as a whole.* The qualifying criteria as stated above relate specifically to the sample of past and intending travellers to Europe and they reflect these aspects among the *potential market* for European holidays. It is important that this context be understood by the reader of this report.

- Definitions for the purpose of this study: *Past Europe* refers to travel to Europe in the past five years; *Most Recent Trip* refers to the latest of the European trips in the past five years; *New European Travellers* refer to respondents who have not been to Europe in the past five years, but plan to go to Europe in the next three years.

- "Independent travel" as used this report includes "basic package" which includes airfare and accommodation, as well as "airfare only" arrangement.

Demographic Profile of Travellers to Europe

- The profile of the total market for holidays from Taiwan to Europe is:
  - They are evenly split by gender.
  - They are relatively young with more than half (53%) in the 20-39 age group;
  - More likely to be married (67%);
  - Half (49%) has a college or university degree;
  - Likely to be in white collar workers (31%), self-employed (20%) or in government or professional positions (15%);
  - Four in ten of the respondents have household income of over NT$80,000 of which 22% earned in excess of NT100,000;
  - Four in ten (42%) have holiday entitlement of 1-12 days a year.
  - Nearly one in two (47%) are English-speaking.

- There are significant demographic differences in the market between those with past experience of Europe and new travellers to Europe (See Intend Europe only in *Exhibit 1* below). Compared with experienced visitors to Europe, New Travellers tend to be:
  - Slightly more biased towards women (55% vs. 45%)
  - Tend to be younger (27% in 20-29 age group vs.16%)
  - More likely to have children (66% vs. 62%);
  - Less affluent (39% in NT$40-80K vs. 33% and 17% in NT100K+ vs. 26%)
  - More likely to have shorter length of paid holiday (15% with 13-24 days vs. 19%)
  - Less likely to speak English (43% vs. 50%).

- The shift towards women and the younger age groups is a possible explanation for the lower income profile among the New Travellers.

Number of Long-Haul Trips in Past 5 Years

- Six in ten had taken only one long-haul trip in the past five years, while one in three had taken two to three trips. The average number was 1.78 for all long-haul travellers.
- There was some variation across demographic groups with slightly higher frequency among female travellers (1.84) with higher averages in the middle (40-49 and 50+) age groups - 1.89 and 2.00 respectively. Those with high income of NT$100,000+ were also more frequent travellers who made an average of 2.33 long-haul trips in the past five years.

(See Exhibit 2)

Exhibit 1. Demographic Profile: Past and Intending Travellers

	All Respondents	Past Europe	Europe Intend only
Base :	400	189	211
	%	%	%
Gender			
Male	50	55	45
Female	50	45	55
Age			
20-29	22	16	27
30-39	31	31	31
40-49	24	26	23
50-59	13	14	11
60 or more	10	13	8
Marital status			
Single	31	30	32
Married	67	68	65
With children	64	62	66
No children	36	38	34
Education			
School	51	49	50
College	31	31	33
University	18	20	17
Occupation			
Govt/Professionals	15	13	17
White collar	31	35	28
Blue collar	11	8	13
Self-employed	20	23	17
Other	19	18	19
Monthly income			
40,000-80,000NT$	37	33	39
80,001-100,000NT$	19	17	19
100,000+ NT$	22	26	17
Paid holidays : days			
1-12	42	41	43
13-24	17	19	15
25 or more	8	7	8
None	16	16	17
Speak foreign languages			
English	47	50	43
French	1	2	1
German	2	3	0
Spanish	1	1`	1
No European	51	47	55

Exhibit 2. Number of Long-haul Trips

	All Long Haul	Past Europe
Base :	227	189
	%	%
One trip	61	60
Two to three	29	31
Four or more	8	11
Mean Average	1.78	1.80

Countries Visited in the Last Five Years

- Travel to Europe in the past five years was limited primarily to half a dozen countries:
  - France (51%)
  - Italy (33%)
  - Switzerland (33%)
  - Netherlands (31%)
  - United Kingdom (28%)
  - Germany (25%)

- The rest of the European countries were visited by less than a quarter of the travellers.

- The main competitor for Europe was the US visited by 31%. 24% of those who visited Europe also visited the US

(See Exhibit 3)

Recent European Trips

Non-Holiday Trips

- Only 15% of the travellers had taken non-holiday trips to Europe in the past five years. The most frequent mentioned reasons were official or commercial business, incentive, study.

(See Exhibit 4)

Exhibit 3. Countries Visited in Last Five Years

	All Past Long-haul	Past Europe
Base :	227	189
	%	%
Europe		
France	51	61
Italy	33	40
Switzerland	33	39
Netherlands	31	38
United Kingdom	28	34
Germany	25	30
Belgium	22	26
Austria	15	17
Luxembourg	7	8
Spain	6	7
Denmark	3	3
Finland	3	3
Greece	3	4
Norway	3	4
Other Europe	12	15
Other Long-haul		
USA	31	24
Canada	18	14
Australia	17	14
New Zealand	8	7
Other long-haul	2	3

Most Recent European Holiday Trip

Number of Countries Visited

- The average number of countries visited in the most recent trip to Europe was 3.18. Those travelling on full package tours visited a significantly larger number of countries (3.35) compared to the independent travellers (2.54), with nearly half (46%) visiting just one country.

(See Exhibit 5)

Exhibit 4. Types of Non-holiday Trips Taken

	Taking Non-Holiday Trips
Base :	29
	%
Official business	21
Incentive trip	17
Study	14
Commercial business	10
Visiting relatives	7
Visit friends	7
Conventions	3

Because of small base exercise caution in interpreting data.

Exhibit 5. Number of Countries Visited on Most Recent Trip

	Total	Travel Arrangement	
		Full Package	Other
Base :	189	150	39
	%	%	%
One	29	24	46
Two	12	11	13
Three	25	26	21
Four	12	12	13
Five	12	15	--
Six or more	11	11	8
Average number visited	3.18	3.35	2.54

Countries Visited on the Most Recent European Trip

- Only seven countries were visited by more than 20% of travellers, with France topping the list with 60%, followed at a large distance, by Italy (39%), Switzerland (38%), the Netherlands (37%) and United Kingdom (31%), Germany (29%) and Belgium (24%).

- France (65%), Italy (43%) and Switzerland (44%) were more likely to be visited by those on full package tours. Germany (38%), Austria (23%) and Spain (21%) were more popular with independent travellers.

Exhibit 6. Countries Visited on Most Recent European Trip

	Total	Travel Arrangement	
		Full Package	Other
Base :	189	150	39
	%	%	%
France	60	65	41
Italy	39	43	21
Switzerland	38	44	13
Netherlands	37	39	26
United Kingdom	31	32	28
Germany	29	26	38
Belgium	24	28	8
Austria	16	15	23
Luxembourg	7	8	3
Spain	6	3	21
Norway	4	5	--
Other countries	25	24	28

Arrival Cities

- Seven out of ten travellers from Taiwan arrived in one of four cities in Europe. Of these, Paris was the most frequent city of arrival used by nearly one quarter (23%) of the travellers, followed by Amsterdam (20%), London (19%) and Rome (12%).
- London was the key arrival point used by one in four (26%) of independent travellers, who also showed a greater preference for Frankfurt than those on package tours.

Exhibit 7. Arrival Cities

	Total	Travel Arrangement	
		Full Package	Other
Base :	189	150	39
	%	%	%
Paris	23	23	23
Amsterdam	20	23	10
London	19	17	26
Rome	12	13	5
Frankfurt	7	5	15
Vienna	7	7	10
Zurich	3	4	--
Other cities	9	8	10

Season of Travel

- The favourite seasons for travel to Europe were Summer and Autumn which accounted for more than half the travel to Europe. Independent travellers showed an above average preference for winter favoured by one in four travellers (26%).

Exhibit 8. Season of Travel

	Total	Travel Arrangement	
		Full Package	Other
Base :	189	150	*39*
	%	%	%
Spring	16	16	18
Summer	25	26	21
Autumn	28	27	28
Winter	17	15	26

3.2 Decision-Making and Planning Process

Lead Time - Planning and Booking the Most Recent European Trip

- Travellers planned their trips 3.07 months before travel, with 24 % making their plans one month before departure.
- They booked their trips around 3.68 weeks ahead of departure, with 22% making their bookings one to two weeks before leaving.

Exhibit 9. Lead Times

Planning Period		Booking period	
Base ;	189	Base :	189
How far planned ahead?	%	How far booked ahead?	%
One month	24	One to two weeks	22
Two months	18	Three weeks	11
Three to five months	16	Four weeks	23
Six or more months	16	Five or more weeks	14
Average No. of months	3.07	Average No. of weeks	3.68

- Younger travellers and those in lower income groups took longer to plan their trips;
- Shorter planning period was claimed by travellers with older children (aged 18+);
- Independent travellers took a longer time than those on package tours to plan their trips.

Sources of Information for the Most Recent European Trip

- The three most frequently used sources for planning their long-haul trips were:
    - Brochures from travel agents (78%);
    - Travel magazines (41%);
    - Travel guide books (37%).
- Other sources used include:
    - Newspaper articles (29%);
    - Brochures from airlines (20%);
    - Friends/relatives who have been there (11%).
- Independent travellers were less reliant on brochures from travel agents than those on package tours. They are more likely to go to NTOs and the internet for information than those on package tours.

Exhibit 10. Sources of Information for the Most Recent Trip to Europe

	Total	Travel Arrangement	
		Full Package	Other
Base :	189	150	39
	%	%	%
Brochures from travel agents	78	81	67
Travel magazines	41	41	38
Travel guide books	37	35	41
Newspaper articles	29	30	23
Brochures from airlines	20	18	28
Friends/relatives who have been there	17	17	18
TV/Radio programme	11	11	10
Advertisements	8	10	3
Travel trade exhibition	5	6	3
Government NTO	5	1	18
The Internet	4	3	8
Embassy/Consulate etc.	2	--	8

Sources Likely to Use on Next Trip to Europe

- In terms of relative importance, the sources of information for the next trip generally mirror those used in the past, with travel guide books and travel magazines gaining importance - they were mentioned by half the prospective travellers.

- Friends/relatives who have been there and brochures from airlines also gained in importance among future travellers.

- The use of the internet, NTOs and travel trade shows has increased substantially among future travellers, while TV/Radio programme remained unchanged.

Assistance from Travel Agents

- Travel agents' assistance was sought by seven in ten travellers. Visa application (65%) and choice of tour package were among other important functions performed by agents.

(See Exhibit 11)

Exhibit 11. Assistance Received from Travel Agent

	Total	Travel Arrangement	
		Full Package	Other
Base :	189	150	39
	%	%	%
Planning itinerary	70	85	13
Visa application	65	67	56
Choice of tour package	62	75	13
Choice of destination	57	60	44
Choice of Airline	56	52	72
Local sightseeing tours	52	62	15
Choice of Hotel	47	52	26
Airport transfers	37	42	15
Arrange travel within/between countries	35	43	5
Side trips to nearby destinations	30	35	8
Information on trains in Europe	23	22	28
Average No. of items where Agent assisted	5.3	6.0	3.0

Exhibit 12. Information Sources for Next Trip to Europe

	Total	Travel Arrangement		Most Recent Trip
		Full Package	Other	
Base :	297	245	52	189
	%	%	%	%
Brochures from travel agents	77	78	71	78
Travel guide books	51	47	65	37
Travel magazine	50	50	48	41
Friends/relatives who have been there	33	36	21	17
Brochures from airlines	32	30	42	20
Newspaper articles	30	29	31	29
The Internet	17	14	31	4
Travel fairs	16	14	27	5
Advertisement	11	11	18	8
TV/Radio programme	11	12	10	11
Government NTO	10	7	21	5
Embassy/Consulate etc.	3	2	10	2

3.2 The Trip Itself

Accommodation Used

- Luxury hotel was used by nearly three quarters (73%) of the travellers, with the rest (26%) using budget/economy hotel.
- Independent travellers were more inclined than those on package tours to use budget/economy hotel or other less expensive accommodation.
- As to be expected, the incidence of usage of luxury accommodation rose with age and income.
- Those on longer trips of 15 or more nights were more likely than other travellers to use bed and breakfast establishments, youth/student hotel or home of relatives.

Exhibit 13. Accommodation Used

	Total	Travel Arrangement	
		Full Package	Other
Base :	189	150	39
	%	%	%
Luxury Hotel	73	80	46
Budget/economy hotel	26	24	36
Bed & breakfast	5	3	10
Youth/student hostel	4	1	15
Home of relatives	4	1	15
Home of friends	2	--	10

Multiple response allowed

Sightseeing Activities

- Two activities dominated their most recent trip to Europe - cultural and historic sites and museums and art galleries - each visited by eight out of ten travellers;
- Shopping (62%) was also important;
- Other important activities during their most recent trip were:
    - Restaurants (53%)
    - Sightseeing in cities (50%)
    - Excursions in the countryside (47%)
    - Theatres, concerts, musicals (46%)
    - Places of worship (46%)

- Independent travellers were more inclined to do things on their own such as travelling around by train, going to bars and pubs, hiking. They also tended to eat more frequently in restaurants.

Major Attractions in Europe

- The five top attractions of Europe were:
    - Eiffel Tower (36%)
    - Louvre in Paris (19%)
    - Sacre Coeur in Paris (15%)
    - Mount Titlis, Switzerland (11%)
    - Venice (9%)
    - Leaning Tower of Pisa (7%)

Exhibit 14. Sightseeing Activities

	Total	**Travel Arrangement**	
		Full Package	**Other**
Base :	189	150	39
	%	%	%
Cultural/historic sites	83	85	74
Museums/Art galleries	83	87	67
Shopping	62	66	46
Restaurants	53	51	62
Sightseeing in cities	50	53	38
Excursions in countryside	47	49	38
Theatres/concerts/musicals	46	49	36
Places of worship	46	52	23
Bars, pubs	27	25	36
Travelling around by train	27	26	31
Hiking	21	19	28
Theme park	20	21	15
Zoos	14	15	10
River cruises	13	13	15
Night-clubs/discotheques	12	11	15
Festivals/cultural events	11	11	10
Sunbathing/beach activities	9	7	15
Casinos/race tracks	7	9	--
Alpine skiing	5	6	--
Karaoke	3	3	--

Satisfaction with Facilities and Services

- Travellers from Taiwan were generally satisfied with the facilities and services in Europe, with all facilities receiving mean ratings of more than 3 points on a four-point rating scale.
- The highest ratings went to sightseeing tours (3.24) with which three in ten said they were *Very satisfied*.
- Accommodation (3.19) and public transportation (3.17) received *Very satisfied* rating from close to 30% of travellers, followed by restaurants (3.13), train facilities (3.06) and entry formalities (3.04).

- Travellers on package tours generally expressed greater satisfaction with Europe's facilities and services than independent travellers. This is reflected in the higher percentages saying they were *Very satisfied* with:
  - Accommodation (32% vs. 10%)
  - Restaurant (28% vs. 13%)
  - Sightseeing tours (33% vs. 26%)

- But independent travellers expressed greater satisfaction with public transportation (41% vs. 25%) and train facilities (28% vs. 15%).

Exhibit 15. Satisfaction with Facilities and Services

	Mean Score	**Very satisfied**	**Somewhat satisfied**	**Not very satisfied**	**Not at all satisfied**
Score		(4)	(3)	(2)	(1)
Base = 189		%	%	%	%
Sightseeing tours	3.24	31	62	6	1
Accommodation	3.19	28	65	6	1
Public transportation	3.17	29	61	10	1
Restaurants	3.13	25	64	11	1
Train facilities	3.06	18	73	9	1
Entry formalities	3.04	16	73	10	1

Length of Stay

- More than eight in ten travellers stayed 3-14 nights on their most recent trip to Europe of which 45% stayed 8-14 nights. The average length of stay was 11.08 nights.
- Independent travellers stayed almost twice as long as those on package tours: 17.51 nights compared to 9.41 nights for those on package tours.

Exhibit 16. Length of Trip

	Total	Travel Arrangements	
		Full Package	Other
Base :	189	150	39
	%	%	%
3 to 7 nights	39	41	33
8 to 14 nights	45	48	37
15 to 29 nights	13	13	23
30 or more nights	2	--	10
Average No. of nights	11.08	9.41	17.51

Travel Companion and Party Size

- Four in ten (41%) travelled with their spouse or partner, with 28% travelling with their friends and 15% with business colleagues. One in ten (11%) travelled alone while 18% travelled with family members.
- The average party size was 2.11.
- Those on package tours were more likely to be travelling with their spouse or partner, while independent travellers were more likely to be travelling alone or with friends or business associates.

Exhibit 17. Party Composition

Travel Party

Base : 189

	%
Alone	11
Spouse/partner	42
Children	10
Parents	3
Other relatives	5
Friends	28
Business colleagues	15
Private club	1

Family Party Size

Base: 114

	%
Two	65
Three	5
Four	11
Five	1
Av. family size	2.11

Travel Arrangement

- Nearly 80% of recent travellers to Europe were on inclusive package tours with airfare, accommodation, meals and local tours paid for in advance. Of the remainder, 12% bought their airfare only, and made the other arrangements themselves, with 8% choosing a basic package which included just the airfare and accommodation.
- Older travellers aged 30 and above showed a clear preference for inclusive package tours as more that 80% chose this arrangement compared to 65% in the 20-29 age group.
- The percentage who opted for airfare only was highest (23%) in the 20-20 age group.
- Those visiting two or more countries were more likely to be on package tours. Those staying 15 nights or more were more likely to be travelling independently purchasing the airfare only.

Exhibit 18. Travel Arrangement

	Total	Age			
		20-29	30-39	40-49	50+
Base :	189	31	59	49	50
	%	%	%	%	%
Inclusive package tour	79	65	81	82	84
Basic package	8	13	7	8	8
Airfare only	12	23	12	10	8

Transport Used in Europe

- Plane was used by a large majority (80%) for travel between countries with 20% using train.
- Independent travellers (28%) were more likely to use train than package tourists (17%).
- The use of train and bus by the most recent travellers to Europe was more or less evenly divided, with a higher preference for train and bus among independent travellers compared to those on package tours.
- Public transport within cities was widely used by both group and independent travellers with a higher percentage for the latter. There was also a higher usage of taxis and rented/self drive cars among independent travellers.

Exhibit 19. Transport in Europe

	Total	Travel Arrangements	
		Full Package	**Other**
Base :	189	150	39
	%	%	%
Transport between countries			
Plane	80	85	59
Train	20	17	28
Bus	6	7	5
Transport between cities			
Plane	25	25	23
Train	24	21	38
Bus	20	17	31
Other transport			
Public transport within cities	44	43	51
Tour bus	11	14	--
Rented/self-drive car	8	4	23
Taxis	7	3	21
Ferries	7	7	8

Expenditure

- Expenditure on the most recent trip was obtained for:
  - Before departure, including tour package, airfare, etc.
  - At destination(s), including shopping and payment by credit cards.

- The total expenditure per person before departure was estimated to be NT$66,322 (US$2,414 at pre-Asian crisis rates).
- The average per family travel party was estimated at NT$104,994 (US$3,822).

- The average expenditure per person in Europe was estimated to be NT$45,759 (US$1,666).
- The average per person per day was NT$5,138 (US$187).
- The average per family travel party was estimated at NT$72,138 (US$2,626).

- The average total trip expenditure (before departure and in Europe) per person was estimated at NT$112,081 (US$4,080)
- The average total trip expenditure per family party was estimated to be NT$177,132 (US$6,448).

- Average expenditure before departure was higher for those travelling on a fully inclusive package (NT$68,163 vs. NT$59,288 for independent travellers). The latter had substantially higher expenditure in Europe (NT$63,577 vs. NT$41,095 for package travellers).

Exhibit 20. Expenditure

	Before Departure			At Destination		
	Total	Full Package	Other	Total	Full Package	Other
Base :						
	%	%	%	%	%	%
NT$						
Up to 30,000	--	--	--	39	39	28
30,000-70,000	35	31	49	33	35	25
70,001-100,000	31	29	39	12	11	18
100,001-150,000	17	18	13	10	7	18
150,000+	18	22	10	7	7	10
Mean Average per party	104,994	112,395	76,718	72,138	65,926	95,872
Mean per person	66,322	68,163	59,288	45,759	41,095	63,577
Mean per day	7,488	7,780	6,371	5,138	4,680	6,888

3.4 Long-Haul Holiday Travel Motivation

Holiday Type Preference (Ratings)

- Respondents were asked which of a number of given types of holiday best described their preferred long-haul holiday. They were asked for a second preference and to say which, if any, they would not consider at all.

- The most desired long-haul holiday of Taiwan travellers to Europe was one with the emphasis on *rest and relaxation* (52% of first choices). The other preferred type of holiday was one which gave them an opportunity to experience *other cultures* (23%). Combining the first and second choices confirms the popularity of these two holiday types.

- An *adventure holiday* and *visiting friends and relatives* are two holiday types that many Taiwan travellers would not consider at all.

(See Exhibit 21)

Exhibit 21. Holiday Preferences

	1st Choice	1st & 2nd Choices Combined	Would not consider at all
Base :	400	400	400
A holiday where	%	%	%
Emphasis on rest and relaxation	52	69	1
I would experience other cultures	23	57	2
Fully organised	10	25	4
Touring, where you see a variety of places	5	12	10
Special interest (e.g. centred around sport, hobbies)	5	14	13
An adventure type of holiday doing something completely different	3	13	43
Visiting friends and relatives	2	8	32
Cruising holiday	1	3	16
A rail holiday with extensive use of trains	--	3	15

Destination Choice Factors

- All respondents were asked to rate various aspects in the choice of a long-haul holiday destination, using a four point rating scale from *Very Important* (score 4) to *Not at all Important* (score 1). The means scores for each of the 24 destination choice factors and the proportion rating them *Very important* are shown in *Exhibit 22.*
- The top three destination attributes, considered *Very Important* by more than half of the potential market were:
    - Feeling safe and secure (63%)
    - Outstanding scenery (58%)
    - Pleasant climate (57%)
- The next batch of destination attributes, given *Very Important* ratings by nearly 40% or more of the potential market were:
    - Environment is clean and unpolluted (44%)
    - Good connections with major airlines (41%)
    - Good local transportation (40%)
    - Ease of obtaining a visa (39%)
    - Attractively priced tour packages (39%)

- It is interesting to note that five out of the top eight destinations choice factors of Taiwan travellers relate to the practicalities of travel rather than the intrinsic attributes, cultural and heritage, and tourist attractions of destinations. Even though attributes widely associated with Europe such as famous historic sites and monuments, famous art galleries and museums were rated as *Very Important* by only around 20% of travellers, it does *not* mean that these are of no interest to Taiwan travellers, as is clearly evident in the high level of visits to cultural and historic sites, museums and art galleries. *(See Exhibit 14).*

(See Exhibit 22)

Knowledge of Countries

- Respondents were presented with a comprehensive list of European countries and the continent's main long-haul competitors. They were asked which of them they could claim to have at least *some knowledge*. Given the length of the European country list, it is not surprising that there was a considerable range in the levels of knowledge claimed.

- Six European countries were known by half or more of the potential market.

  - France (78%)
  - United Kingdom (65%)
  - Italy (63%)
  - Netherlands (59%)
  - Switzerland (57%)
  - Germany (54%)

- Five other European countries were known by between 21% to 30% of the respondents

  - Spain (30%)
  - Austria (28%)
  - Greece (25%)
  - Belgium (24%)
  - Luxembourg (21%)

- Not surprisingly, there is a strong correlation between countries they know something about and countries they had visited in the past.

(See Exhibit 23)

Exhibit 22. Destination Choice Factors

Base = 400	Mean score	% Rating Very Important
Top 8		%
Feeling safe and secure	3.60	63
Outstanding scenery	3.55	58
Pleasant climate	3.49	57
Environment is clean and unpolluted	3.37	44
Good connections with major airlines	3.26	41
Good local transportation	3.25	40
Ease of obtaining visa	3.22	39
Attractively priced tour packages	3.20	39
Middle 8		
Good food and restaurants	3.11	33
Interesting culture & history	3.10	29
Inexpensive travel to country	3.09	34
Friendly, courteous people	3.07	29
Destination offers good value	3.03	26
Good shopping	2.99	29
Interesting towns and cities	2.98	25
Activities and attractions for whole family	2.97	27
Bottom 8		
Places I can talk about when I go home	2.92	22
Famous historic sites & monuments	2.91	20
Famous art galleries & museums	2.86	21
Interesting local festivals	2.84	21
Theatres, concerts & musicals	2.63	15
Good beaches	2.59	17
Plenty of night life and entertainment	2.56	15
Good place for a honeymoon	2.55	17

Exhibit 23. Countries Know Something About

	Total		Total
Base :	400		400
Top 6	%	***Competition***	%
France	78	USA	72
United Kingdom	65	Canada	53
Italy	63	Australia	45
Netherlands	59	New Zealand	46
Switzerland	57	South Africa	12
Germany	54		
Middle Ten		***Bottom Ten***	
Spain	30	Ireland	11
Austria	28	Czech Republic	9
Greece	25	Turkey	9
Belgium	24	Poland	8
Luxembourg	21	Hungary	8
Sweden	19	Iceland	5
Denmark	18	Monaco	5
Finland	17	Bulgaria	3
Norway	16	Malta	2
Portugal	15	Slovenia	1

Image of Countries

- The analysis and interpretation of the data on destination images is limited by the very low levels of knowledge of all but a few European destinations among potential holiday visitors from Taiwan. Thus for the bulk of the countries covered by the survey, very little data was obtained on which to base an image profile. Only among the better known top five or six countries can a definite statement be made. The full results, in total, are shown as Annex A to this section of the Report.
- The key results are presented in two parts. First, the comparative image of the main European destinations against major long-haul competitors. Second, the image strengths and weaknesses of the main European destinations.
- The destination image and perceptions are related to the top destination choice factors of Taiwan travellers as presented in *Exhibit 22*. For ease of reference these destination choice factors are shown in *italics* in the destination analyses of strengths and weaknesses that follow.

European Destinations vs. Key Competitors

- The major strengths of the most popular European destinations in general against competing long-haul countries are:
  - Interesting culture and history
  - Has famous art galleries and museums
  - Has famous historic sites and monuments
  - Theatres, concerts and musicals.

- Individual European countries also have specific strengths against other long-haul destinations, especially France which has the strongest image on several attributes among past and potential Taiwan travellers.

- Overall, the US appear to present the greatest threat to Europe, not so much to France as to the other widely visited and better known destinations after France, in terms of image strengths, relatively speaking:
  - Plenty of night life and entertainment
  - Destination offers good value
  - Good shopping
  - *Attractively priced tour package*
  - *Good connections with major airlines*
  - *Good local transportation*
  - Good beaches
  - Has activities for the whole family
  - *Easy to obtain visa*
  - Inexpensive to travel to destination
  - Place I can talk about when I go home (prestige value)

- With the exception of Switzerland, Australia and New Zealand have an edge over the most popular European destinations with regard to *pleasant climate, clean and unpolluted environment*, activities for the whole family.

Image and Perceptions of European Destinations

1. France

- The strongest image is held of France which is way ahead of the top six countries respondents know something about. It performed better than any European destination or other competing long-haul destinations on three of the top eight destination choice factors considered to be important by Taiwan travellers. *(See Exhibit 22)*.

- France's image strengths are:
    - Has famous art galleries and museums
    - Good food and restaurants
    - Place I can talk about when I get home (prestige value)
    - *Outstanding scenery*
    - Theatres, concerts, musicals
    - Good place for honeymoon
    - Interesting culture and history
    - *Good local transportation*
    - Good shopping
    - *Good connections with major airlines*

- The weaknesses of France as perceived by Taiwan travellers are:
    - Inexpensive to travel to destination
    - *Attractively priced tour package*
    - Destination offers good value
    - *Environment is clean and unpolluted*
    - Interesting local festivals.

- The other five destinations about which Taiwan travellers know something don't have as strong an image as France.

2. United Kingdom

- The UK shares some of the strengths of France:
    - Interesting culture and history
    - Famous art galleries and museums
    - Famous historic sites and monuments
    - Theatres, concerts and musicals
    - *Good connection with major airlines*
    - *Good local transportation*
    - Place I can talk about when I get home (prestige value)

- UK's weaknesses are similar to those of France in many respects:
    - Inexpensive to travel to destination
    - *Attractively priced tour package*
    - Destination offers good value
    - *Environment is clean and unpolluted*
    - Interesting local festivals.

- In addition, it is perceived as not having:

    - Plenty of night life and entertainment
    - Good food and restaurants
    - Good place for honeymoon.

3. Italy

- Italy is relatively strong on the following compared to other attributes.
    - Interesting culture and history
    - Good food and restaurants
    - Famous historic sites and monuments.

- It is weak on the following:
    - Inexpensive to travel to destination
    - Good beaches
    - *Environmental is clean and unpolluted*
    - *Attractively priced tour package*
    - *Feeling safe and secure.*

4. The Netherlands

- The Netherlands is perceived as having two of the eight destination choice factors important to Taiwan travellers:
    - *Outstanding scenery*
    - *Pleasant climate*

- It is not perceived as having the attributes strongly associated with the other three destinations such as interesting culture and history, famous art galleries, museums, historic sites and monuments, good food and restaurants, etc. nor is it seen as having *attractively priced tour package*, one of the key attributes of destination choice for Taiwan travellers.

5. Switzerland

- Switzerland is strong on four of the top eight important destination choice factors:
    - *Outstanding scenery*
    - *Feeling safe and secure*
    - *Environment is clean and unpolluted*
    - *Pleasant climate.*

- But it is not perceived as strong on other factors important to Taiwan travellers:
    - *Attractively priced tour package*

- *Good connection with major airlines*
- *Easy to obtain visa.*

- It is not associated with other attributes associated with the other leading European destinations such as interesting culture and history, famous art galleries and museums, etc.

6. Germany

- Germany which is rather less well known than the leading European destinations, does not have as strong an image. It is seen as having:
  - *Outstanding scenery*
  - Famous historic sites and monuments
  - *Good local transportation*.

- It is not seen as having the remaining key attributes in destination choice of Taiwan travellers.

3.5 Future Long-Haul Travel

Countries Intend to Visit

- The countries favoured by all future Taiwan travellers are France (50%), Switzerland (39%), United Kingdom (36%) and Italy (35%) in Europe. Competing long-haul destinations - the US, Australia and Canada receive about the same level of interest as Italy.

- The same countries would be favoured by New Travellers to Europe with France achieving an even stronger lead over Switzerland.

- Interest in competing destinations remains largely unchanged except a drop in interest in Australia among New Travellers.

(See Exhibit 24)

Exhibit 24. Long-Haul Destinations in the Next 3 Years

	All Future Long-Haul	New European Travellers
Base :	323	211
	%	%
Europe		
France	50	64
Switzerland	39	46
United Kingdom	36	44
Italy	35	39
Netherlands	25	27
Germany	21	22
Spain	14	11
Austria	13	13
Greece	12	13
Denmark	8	7
Sweden	8	7
Finland	7	6
Turkey	7	5
Iceland	6	5
Portugal	6	5
Norway	3	3
Belgium	5	5
Luxembourg	5	4
Czech Republic	3	1
Hungary	3	3
Ireland	3	3
Other Europe	7	7
Competitors		
USA	35	40
Australia	33	29
Canada	32	32
New Zealand	30	30
South Africa	4	1
South/Central America	4	4
South Pacific	3	2

Number of Long-Haul Trips in the Next Three Years

- Intending long-haul travellers are about equally divided between those planning to take one and two trips, with less than 20% (18%) planning three or more trips in the next three years. The average number of future trips is 1.85.
- New Travellers to Europe plan fewer long-haul trips - an average of 1.73. *(See Exhibit 25)*

Exhibit 25. Number of Trips in the Next 3 Years

	All Future Long-haul	New European Travellers
Base :	323	211
	%	%
One trip	40	46
Two trips	42	41
Three or more	18	12
Average	1.85	1.73

Number of Holiday Trips to Europe

- When specifically questioned on the number of holiday trips they were planning to take in Europe, the average number reported 1.68, with seven in ten (71%) planning just one holiday trip to Europe.
- Eight in ten New Travellers to Europe indicated a lower average of 1.23 trips, with eight in ten planning just one trip in the next three years.

Exhibit 26. Number of Trips to Europe

	All Future Long-Haul	New European Travellers
Base :	323	211
	%	%
One trip	71	84
Two trips	16	12
Three or more	5	3
None to Europe	8	--
Average	1.68	1.23

Number of Countries Planning to Visit

- Nearly four in ten (39%) plan to visit one to two countries in Europe on their next trip, with 22% planning five or more trips, giving an average of 3.00.
- The average length of the next trip is slightly shorter that the most recent trip to Europe which averaged 3.18.

Exhibit 27. Number of Countries Planning to Visit in Europe

	Next Trip	Most Recent Trip
Base :	297	189
	%	%
One	16	29
Two	23	12
Three	28	25
Four	11	12
Five or more	22	23
Average number visited	3.00	3.18

Five Countries Most Likely to Visit

- The most popular countries for future Taiwan holiday travellers are France (73%), Italy (59%), Switzerland (56%), United Kingdom (53%) and the Netherlands (44%). The order reflected the ranking of countries visited in the most recent trip to Europe, with all destinations improving in popularity.

- Other European destinations intending travellers plan to visit include Germany (37%), Austria (25%), Spain (22%) and Greece (18%) with an improved interest in all these destinations.

(See Exhibit 28)

Five Cities Most Likely to Visit

- The two cities future travellers would most likely visit are Paris (75%) and London (71%), followed at some distance by Vienna (53%), Amsterdam (50%) and Rome (42%).

(See Exhibit 29)

Exhibit 28. Five Countries Likely to Visit

	Next Trip	Most Recent Trip
Base :	297	189
	%	%
France	73	61
Italy	59	40
Switzerland	56	39
United Kingdom	53	34
Netherlands	44	38
Germany	37	30
Austria	25	17
Spain	22	7
Greece	18	4
Denmark	10	3
Belgium	9	26
Sweden	9	3
Iceland	7	2
Norway	7	4
Portugal	7	2
Czech Republic	6	3
Turkey	6	1
Finland	5	3
Luxembourg	5	7
Other countries	17	6

Exhibit 29. Five Cities Likely to Visit

	Total
Base :	297
	%
Paris	75
London	71
Vienna	53
Amsterdam	50
Rome	42
Athens	25
Munich	19
Frankfurt	18
Dublin	13
Prague	12
Copenhagen	11
Madrid	11
Lisbon	11
Lucerne	10

Season of Travel

- Travel in Spring and Summer have become even more popular among intending travellers with one in five (21%) and nearly half (46%) choosing these seasons respectively, well above the percentages among most recent travellers.
- Autumn and Winter saw a drop from 28% and 17 among recent travellers to 22% and 11% respectively among future travellers.

Exhibit 30. Season of Travel

	Total	Most Recent Trip
Base :	297	189
	%	%
Spring	21	16
Summer	46	25
Autumn	22	28
Winter	11	17

Length of Trip

- More than half the intending travellers plan stays of 8-14 nights in Europe, with 31% contemplating stays of 3-7 nights. The average intending length of stay of 10.26 nights is shorter than the average of 11.08 nights for the most recent trip.
- Independent travellers plan substantially longer average stays of 12.81 nights than those on inclusive packages (9.72 nights).

Exhibit 31. Number of Nights Intending to Stay

	Total	Most Recent Trip
Base :	297	189
	%	%
3 to 7 nights	31	39
8 to 14 nights	54	45
15 to 29 nights	11	13
30 or more nights	2	2
Average No. of nights	10.26	11.08

Travel Companion and Party Size

- On their next trip to Europe travellers are most likely be accompanied by their spouse or partner (61%) and other family members, especially children (26%). Only 6% expect to be travelling on their own.

- One in four (26%) expect to be travelling with their friends, and nearly one in ten (9%) plan to travel with their business colleagues.

- The average family party size would be 2.83.

Exhibit 32. Party Composition

Travel Party		**Family Party Size**	
Base :		Base :	
	%		%
Alone	6	Two	53
Spouse/partner	61	Three	11
Children	26	Four	16
Parents	8	Five	6
Other relatives	6	Six or more	4
Friends	26		
Business colleagues	9	Average family size	2.83

Travel Arrangement

- Eight in ten (82%) plan to take an inclusive package tour which covers airfare, accommodation, meals and local tours; one in ten (11%) are likely to use a basic package which includes airfare and accommodation only; and 7% would buy their air ticket only.
- The distribution is similar to the most recent trip except for an increase in those travelling on a basic package and a drop in those choosing airfare only.
- There is a rise in inclusive package tours across all age groups, particularly among those aged 20-29 and 50 or more and a corresponding drop in the airfare only option in all age groups.

Exhibit 33. Travel Arrangement

	Total	**Age**			
		20-29	**30-39**	**40-49**	**50+**
Base :	297	72	95	80	50
	%	%	%	%	%
Inclusive package tour	82	71	83	88	90
Basic package	11	18	9	8	8
Airfare only	7	11	7	5	2

Expenditure

- On the next trip to Europe, the expected expenditure per person for the whole trip, including airfare or tour package, shopping and all other expenses, is expected to be NT$89,404 (US$3,255 at pre-Asian crisis rate). The average per person per day would be NT$9,527 (US$345).

Exhibit 34. Expenditure

	Total Expenditure per Person		
	Total	**Full Package**	**Other**
Base :	297	245	52
	%	%	%
NT$			
20,000-70,000	43	45	40
70,001-100,000	33	33	33
100,001-150,000	15	14	17
150,000+	7	7	10
Average per person	89,404	88,220	94,980
Average per day	9,527	9,787	8,302

Factors Discouraging Visits to Europe

- The main factors were largely dominated by personal reasons like hard to schedule holiday and family responsibilities. High expense of a trip to Europe was given by one-third of the respondents.
- Other factors such as not used to weather and long flying time are not significant.

Exhibit 35. Factors Discouraging Trips to Europe

	Total	**Past Europe**	**New Europe**
Base :	323	112	211
	%	%	%
Main factors			
Holiday schedule	49	51	48
High expenditure	33	32	33
Family responsibilities	16	10	19
Other factors			
Not used to weather	4	7	2
Long flying time	3	4	3
Others	15	18	12

Impact of Recent Events in Taiwan or Asia

- All respondents were asked if anything had happened in Asia or Taiwan that has made it less likely for them to take a long-haul holiday in the next two years.
- More than two-thirds (69%) of all long-haul travellers, past and future, said “No”. The percentage of New Travellers to Europe who responded “No” was slightly higher at 71%.
- The main reasons given by those who said “Yes” were:
    - Fear of plan crash
    - Depreciation of the NT$ against the US dollar
    - Insecurity/war in Europe
- The plane crash phobia of the Taiwan people could perhaps be explained by recent plane crashes involving its own national carrier, primarily in Asia.

3.7 Media Habits

Readership of Newspapers and Magazines

- Newspapers regularly read by potential Taiwan travellers, with a wide coverage across demographic groups, include:

    - China Times (50%)
    - United Daily News (42%)
    - Liberty Times (30%)
    - Min Sheng Daily (25%)

- Weekly magazines - 53% of the respondents don’t regularly read weekly magazines. Among those who do, the most popular titles are:

    - Times Weekly (32%)
    - Business Weekly (10%)
    - Times (9%)

- Monthly periodicals - 51% of the respondents don’t regularly read monthly periodicals. Among those who do, the most popular titles are:

    - Commonwealth (17%)
    - Reader’s Digest (16%)
    - Global Views (9%)

TV Viewing

- The most popular TV stations ranked as top three are:

    - TVBS (50%), ranked first by 24%, with above average viewership in the 30-39 age group.
    - TTV (47%), ranked top by 24%
    - CTS (36%)
    - CTV (32%)
    - HBO (31%), ranked top by 13%.

Radio Listening

- 39% don't regularly listen to the radio. Among those who do, the top three stations frequently listened to are:

    - BCC Popular Music Network (36%), ranked first by 15%
    - BCC Music Network (25%)
    - UFO Station (25%).

Use of Internet

- Use of the internet to obtain travel information was claimed by 20% of the respondents. The use of this medium was biased towards male (23%), the young (36% in the 20-29 age group), the high income group (29% in the NT$100K+ group) and those with university education (41%).

- Frequent travellers (24%), independent travellers (36%) and those travelling alone (38%) are also more likely to use the internet to obtain travel information.

- Only 6% currently claim to use the internet to make travel bookings.