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INTRODUCTION

The surge in overseas travel from Asia in the last ten years or so has been fueled largely by economic growth, rising affluence and a fast-growing middle class in Asia. According to the International Monetary Fund, in the last 20 years, Asia's real growth has outstripped all other world regions with an annual growth in excess of 6% accelerating to 8% in the mid-1990s. Real per capita GDP in Asia has been growing at more than twice the rate of industrialised countries ranging from 4.4% in the 1975-85 decade to 6.3% in the mid-1990s, compared to a declining 2.2% to 1.4% in industrialised countries over the same time span.

The years of 8-10% "miraculous" growth came to an abrupt end in 1997. After a year of economic misery and financial restraint, imposed by International Monetary Fund the rescue package, Thailand along with other financially troubled nations, should experience a "moderate rebound in growth" next year and a "solid recovery" in 2000, according to the recent IMF World Economic Outlook report. Thailand along with Indonesia, the Philippines and Malaysia are expected to grow 2.5% next year after a contraction of 2.7% in 1998. However, these forecasts could prove to be over optimistic against the back drop of the political and social unrest in Indonesia which could have an unsettling effect on neighbouring countries.

Malaysia is a multi-racial country with a population of 21 million comprising 59% Malay, 32% Chinese and 9% Indian.

Malaysia whose economy has grown more than 8% annually for the past decade is facing an economic slow down. In March, Datuk Seri Anwar, Finance Minister, trimmed the official growth projection for 1998 to between 2% and 3%, down from a December forecast of 4% to 5%. The economy has been hit by a 40% drop in the value of the currency against the US dollar, and by a slide in exports. Inflation has risen from 3% to 5%. Consumers are cutting back on spending, car sales in 1998 have fallen 60% from the previous year. Fear of being laid off and salary cuts are other factors that have caused people to postpone their travel plans.

As the economy continued its downward spiral, the Malaysian Prime Minister Mahathir Mohamad announced currency controls in early September, which ended trading of the Malaysian ringgit abroad. This control was imposed as a means of sheltering the economy from the region's economic crisis. The exchange rate for the ringgit has been fixed at 3.8 to the US dollar. Overseas travel is discouraged and Malaysians are allowed to take out only RM1,000 in notes and foreign currencies up to the equivalent of RM10,000. This will have a dampening effect on overseas travel in the short to medium term. It remains to be seen if fixed exchange rate, low interest rates and capital controls would be more effective than the IMF prescriptions.

Introduction

South East Asia's troubles began shortly after this study, along with two other Asian market studies were commissioned by the *ETC*. This may not have been the best time, but the period between now and full recovery in these financially strapped nations by the year 2000, optimistically predicted by the IMF, could be utilised in laying the ground work for a solid marketing plan to capitalise on the rebound in the next millennium, seeing that it normally takes about three years for marketing and promotional programmes to show results.

This study on Malaysian holiday travellers to Europe is one of three Asian studies designed to provide the *ETC* with *actionable* research to help its members identify their potential travellers and to give directions on how best to reach the target groups through direct marketing and promotion as well as through the travel trade. These studies focus on holiday travel which is discretionary, hence can be influenced by marketing and promotion.

Outbound travel data are not available for Malaysia. There are therefore three parts to this report:

1. **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 includes key travel agents' and tour operators' views on the future outlook and holiday travel trends to Europe, among Malaysian travellers. The survey includes the travel trade's response to key areas addressed in the consumer survey, to provide *ETC* members with the travel trade's insights into the Malaysia market.

2. **Consumer Survey**

    The Consumer survey of past and potential travellers present their demographic and travel profiles; holiday requirements and profiles of travellers to Europe; destination choice factors; knowledge and perceptions of European destinations; media habits.

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

OBJECTIVES

- Examine past holiday experience and future travel intentions to Europe among Malaysian 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 Malaysia holiday market to Europe.

METHODOLOGY

A. Consumer Survey

Respondent qualifications:

ETC's research brief for the Asian studies: "we are not solely interested in details from older people and/or those in the highest income bracket" were taken into account in setting the respondent qualifications.

- Citizen and permanent resident of Malaysia living in Kuala Lumpur, Petaling Jaya, Penang and Ipoh.
- Aged 20 and over.
- Household income: RM5,000 or above.
- 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 agencies, airlines hotels; advertising agencies and market research.
- Excludes European expatriates working in Malaysia.

Sampling method: To ensure a fair representation by gender and age, quota based on population data, in the absence of overseas travel data, was applied to the survey sample. The sample was distributed by race: Malay = 45%, Chinese = 45% and Indian = 10%. This racial breakdown does not reflect the actual racial composition. The majority of travellers to Europe are likely to be from these two major racial groups. Face-to-face interviews were conducted with 400 past and intending holiday travellers to Europe.

B. Travel Trade Survey

Sample size: 30 travel agents and tour operators in Kuala Lumpur and Petaling Jaya.

Sampling method: Systematic random sampling was used to select the travel agents and tour operators from travel trade directories. They were then screened to ensure they met the minimum requirement of 25% of annual turnover from sale of travel to Europe set for this study.

Face-to-face interviews were conducted at travel agents' and tour operators' premises.

C. Fieldwork

Interviews with travel agents and tour operators were carried out between February 24 and March 25, 1998.

Interviews for the Consumer Survey were carried out between March 2 and April 30, 1998

D. The Report

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

E. Exchange Rates

Although the fieldwork was done during the Asian currency crisis, pre-crisis exchange rate was used to convert local currency (Ringgit) into U.S. dollars to remove the distortion caused by the currency devaluation which took place, beginning in the latter part of 1997.

The following rates in relation to the U.S. dollar were provided by the US Federal Reserve.

1996: RM2.5154; 1997: 2.8173
December 1997: RM3.7907
June 1998: RM4.1300

EXECUTIVE SUMMARY

- The Malaysian long-haul holiday traveller comes from the younger, better educated and wealthier segment of the country's population. They have a relatively long holiday entitlement, and are very likely to be English speaking. New travellers to Europe are likely to come from a rather broader stratum of society, to be even younger in profile, marginally less well educated and less affluent. However, economic instability and currency problems are likely to have a short-term limiting effect on the uptake of European holidays by a broader sector of the market.

- In the past, long-haul travel was not particularly frequent. On average, two such trips were taken over the previous *five* years. Other things being equal, future long-haul travel is likely to be more frequent, with an average of two trips expected in the next *three* years. However, most future travellers, and especially those *without* previous European experience, expected that only one of these scheduled trips would be to European destinations.

- Past holiday travel to Europe was largely focused on the UK. This destination was almost twice as popular with visitors from Malaysia over the past five years than any other European country. Only five other countries had significant holiday traffic from Malaysia in that period - France, Germany, the Netherlands, Switzerland, and Italy. The two major long-haul competing destinations were the US and Australia.

- The UK is likely to be less dominant in the future. Among future travellers to Europe, Switzerland, France and Italy were almost as popular for future trips as the UK. Spain, Turkey and Greece are also likely to feature in the itineraries of future trips to Europe.

- On their most recent trip to Europe, the average Malaysian holiday taker visited just two countries, with the UK as one of the countries for four out of five visitors. One of the other top five countries would generally be one of the other destination visited.

- London was by far the most frequently used European arrival city, with three out of four past visitors entering through this gateway.

- The month of travel on the most recent trip was spread across the Spring, Summer and Autumn, with Winter much less popular. On this trip the average Malaysian visitor stayed in Europe for just under two weeks; travelled with their spouse or partner, other family members or with friends; made all or most of their own travel arrangements, rather than taking an inclusive package tour.

- Future holiday trips are likely to show a wider spread of countries visited, with the UK, and London, much less dominant. Future travellers are likely to stay for a marginally shorter period, rather more likely to travel with just their spouse or partner, or on their own, and very much more likely to take an inclusive tour package than in the past possibly reflecting the broadening of the market to include less affluent and less well educated segments of the population observed earlier.

- Average expenditure per person on the most recent trip was RM 3,162 (US$1,257) at pre-crisis rates) spent before departure on tour package, airfare, etc. and RM 3,294 (US$1,310) spent in Europe. Expected total expenditure for the next trip to Europe averaged RM8,134 (US$3,234 at pre-crisis rate).

- Budget or economy hotels were the most frequently used accommodation on the most recent trip. Luxury hotels were more likely to be used by those on inclusive package tours; many independent travellers stayed with friends or relatives. A wide range of sightseeing activities was undertaken, with culture, history, eating out, shopping, guided sightseeing and visiting theme parks as the most popular.

- A wide range of lead times for both planning and booking the last European holiday were mentioned. The average was just under four months for planning and just over four weeks for booking.

- Two contrasting main sources of information were used for the most recent trip to Europe, brochures from travel agents and the experiences of friends and relatives. Travel books and guides, and airline brochures were also frequently used. Those on inclusive package tours received a wide range of advice from travel agents. Overall, their advice was most frequently sought on choice of airline. Use of the internet, though limited in the past is likely to become a major source of travel information in the future, particularly among independent travellers, that is those with the most choice about which destinations in Europe to visit when planning forthcoming European itineraries.

- Malaysian holiday takers were generally well satisfied with the services and facilities used on their most recent trip. The highest levels of satisfaction were given to transport services. Restaurants were the least satisfactory.

- *Rest and relaxation* was the most favoured type of long-haul holiday among the potential market, with *touring* and *experiencing other cultures* also popular. The key factors in choosing a holiday destination were *personal security*, *climate*, *inexpensive travel to destination*, *attractively priced tours*, *clean environment*, *visas* and *outstanding scenery*.

- Destination knowledge and imagery were closely related to the existing market's experience of individual countries, and dominated by the UK. Apart from this country, only four destinations were known by more than half the potential market - France, Switzerland, Italy and Germany. At the other extreme there were a number of European destinations with only one in ten expressing any familiarity. Not surprisingly, the market had extremely weak images of these destinations.

- Perceptions of the UK exceeded or matched those of competing destinations on all the key destination choice factors. The image strengths of the other leading European countries over competing long-haul destinations included *interesting towns and villages, culture and history*, *historic sites, museums* and *art galleries*. Their perceived weaknesses as potential long-haul destinations, in comparison with destinations such as the US and Australia, included a number of high ranked factors such as personal security, climate, expense of travelling to the destination, attractively priced tour packages and entry formalities. France is the only individual European destination with an image strength close to that of the UK.

- Unfavourable exchange rates and economic uncertainty were seen as limiting factors discouraging holiday trips to Europe in the immediate future.

- Findings from the Trade Survey showed that Europe generated the same percent of sales in 1996 as Australia/New Zealand (20%) or half the share to Asia (39%). However, in terms of passenger bookings, Europe ranked third after Australia/New Zealand, but well ahead of the US.

- Half of the sales to Europe was for holidays, with 39% for business.

- Sales of past and future travel to Europe were almost evenly split between package tours and independent travel.

- Nearly half the respondents felt that “full package tours” would show the greatest increase in Europe, with about a quarter opting for “flight with accommodation”.

- On the average, agents start planning their tours 4.8 months before departure and making their ground arrangements 8 weeks before departure.

- Major problems in organising tours to Europe relate to food, particularly for Muslim travellers, currency fluctuation and high cost in Europe.

- According to respondents, Malaysians are prepared to spend an average of RM3,676 (US$1,461) for a one week trip covering two countries in Europe. They are willing to budget an average of RM6,024 (US$2,395) for a two-week trip visiting five countries.
- The top three factors in the choice of destinations in Europe are *safety, attractively priced tour package,* and *good local transportation*, confirming two of the factors identified by consumers.

- The three most important reasons for choosing Europe for holidays are *climate/four seasons, culture* and *beautiful scenery*.

- The greatest barriers to holidays in Europe identified by the travel trade are the *unfavourable exchange rate* against the Malaysian ringgit and *language problem*.

- The top five destinations for business and holiday travellers are *London, Paris*, *Zurich, Amsterdam* and *Rome*.

- Respondents were receiving sales support primarily from national tourist organisations and airlines.

- The most widely attended European trade show is the WTM in London. ITB Berlin is a distant second.

- *Brochures, travel magazines/newspaper articles, travel videos* and *joint promotion with tour wholesalers* are the most frequently used sales tools.

- *Brochures* and *joint promotion with tour wholesalers* and *travel videos* are also the sales support that respondents would like to have. Other frequently mentioned sales aids are *familiarisation tours, trade shows in Europe* and *educational seminars*.

- Respondents felt that the most cost-effective media for promoting Europe are *newspapers, TV advertising* and *travel trade advertising*.

- Services most frequently provided to clients are help with *visa application, choice of hotel planning itinerary*, *choice of tour package* and *airline*.

- Respondents felt they had considerable influence on their clients particularly in *planning itinerary, choice of tour package*, *specific tourist sites to visit*, choice of *airline* and *accommodation* and *local sightseeing tours.*

- Bearing in mind that the interviews took place not long after the South East Asian currency crisis, it is not surprising that there was an unusually large number of cancellations for long-haul travel and a significant drop in overseas holiday bookings. Nearly half the respondents felt that the devaluation of the Malaysian ringgit would definitely lead to a continuing drop in long-haul holidays in the next couple of years.

CONCLUSIONS AND MARKETING IMPLICATIONS

- The dominance of the UK of the past market for European holidays from Malaysia, though set to have greater competition in the future, has limited the potential market's knowledge and perceptions of other European destinations, even those with strong future growth potential.

- The past domination of the UK and the relatively narrow range of destinations featured in inclusive tour package itineraries is compounded by the potential market's significant lack of knowledge of second and third rank destination countries, and thus of their tourism potential. What knowledge they have is very superficial and often excludes any awareness of key strengths of individual destinations. This situation holds true for all destinations apart from the UK. In the latter's case some of the perceptions held are somewhat unrealistic.

- Thus it is crucial that the *ETC* and individual countries promote a wider range of destinations both to the trade and especially the consumer to help build potential visitors' awareness and perceptions of European destinations as long-haul holiday destinations. With increasing use of inclusive package tours among newer European travellers, ways must be found to encourage the Malaysian travel trade to vary their tour itineraries to include more European destinations than at the present time.

- The increasing use of the internet as an information source for Malaysian travellers - not confined, as in many other markets, to younger segments - can be harnessed as a relatively inexpensive vehicle for increasing awareness of Europe as a tourism destination, both regionally and for individual destinations.

- Over the short to medium-term there is limitation on travel outside Malaysia, especially to long-haul destinations, due to current economic constraints. The internet could prove to be a powerful tool for increasing knowledge of Europe as a future long-haul holiday destination. Keep in mind that a trip to Europe is a significant financial outlay, hence those wishing to make this trip, need time to plan and save up for it.

- Countries, particularly those which the research has shown to have a high potential in this market, need to seize the opportunity presented by high internet usage to develop internet-based information and marketing strategies. It is expedient for destinations to use this period of restricted travel to heighten interest in their destinations, hence increase their chances of being selected when the Malaysian market rebounds.

- The advantage of the internet is enhanced by the very high English language skills found in the potential market. However, the use of the internet as a promotional tool must be supported by 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 English language skills are very high in the target market, promotional materials in the native language should also be provided. Such materials need to address 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.

- In particular, there is a clear need to build awareness and knowledge of key European tourism strengths which are currently poorly perceived, i.e. culture in the broadest sense, history, the diversity, within the continent, of landscape, traditions, peoples, cuisine, etc. Clearly European NTOs need to strengthen their presence and step up their marketing efforts in Malaysia. Media suggested by the travel trade are newspapers, TV advertising and travel trade advertising. The media widely used by consumers are identified in the Consumer Survey. Media should be carefully evaluated in relation to the potential traveller profile as identified in the research before spending promotional and advertising dollars. The *ETC* may also wish to consider a representation office in Asia to service the travel trade and consumers in various Asian countries. This may be a good time for such a move when office rentals and prices in general in most Asian countries are depressed.

- Malaysian travellers, of all ages, incomes and experience could be encouraged to travel independently, and thus widen their choice of destinations, by providing itinerary planning, lists of accommodation and other services, with reservations facilities as appropriate.

- Encouraging repeat visits should be an important part of the marketing strategy as the study suggests that previous travel to Europe tends to increase the likelihood of return visits.

- Entry formalities for Malaysian visitors receive a relatively low rating. Governments need to be encouraged to minimise delays and inconvenience for genuine visitors. Inbound tourism organisations need to emphasise the needs of Malaysian tourists in terms of dietary requirements in restaurants to counter the relatively low levels of satisfaction shown in the consumer report.

- The Travel Trade Survey showed that despite its distance from Malaysia, Europe generated the same percentage of sales as Australia/New Zealand, though not passenger bookings. The reason could be that Europe is considerably more expensive than the destinations down under.

- Malaysian travellers, according to the agents who service them, are very safety conscious; they are also sensitive to price and value for money. These are consistent with the Consumer Survey findings. Three out of the top half a dozen or so factors regarded as important in the choice of European holiday destinations have to do with cost. It is therefore not surprising that the amount that agents think their clients are prepared to pay for a trip to Europe is relatively modest. Hence agents feel package tours would show the greatest increase. Attractively packaged and reasonably priced tours complete with English-speaking tour guides could be very appealing to Malaysians. Remember language difficulty was one of the two most important constraints of travel to Europe, according to the agents interviewed.

- The safety issue which may come as something of a surprise to a European audience deserves a brief comment. This has to do more with the civil conflicts and ethnic cleansing that have been going and is still going on in parts of Europe, than the kinds of violence that one finds, for example, in large American cities. With all the publicity that these atrocities received in the media, people tend to forget that the rest of Europe is relatively safe. Addressing this fear and changing this image should be a priority in Europe’s promotion not only in Malaysia, but the rest of Asia.

- Europe has all of the tourism attributes considered important by Malaysian travellers. They like Europe’s temperate climate, its seasonality, its diversity of cultures and beautiful scenery. These attributes which Europe has in abundance should be emphasised in its advertising and promotion.

- At the moment, Europe’s appeal for Malaysians appear to be limited to five major cities: London, Paris, Zurich, Amsterdam and Rome which are also among the most expensive destinations in Europe. It is no wonder that the price issue constantly crops up in the survey. More creative tours featuring places and attractions away from the big cities would expand the traveller’s European experience beyond the large cities, and hopefully, would help to address the cost issue as well as the problem of low awareness of less established destinations referred to earlier.

- Good local transportation is also important to Malaysian travellers. This indicates they are interested in exploring on their own and certainly represents potential for rail and bus travel. Europe with its excellent rail network and variety of rail services is uniquely equipped to capitalise on this interest.

- The survey of the promotional and sales tools showed a big gap between what the agents are currently using and what they need. European NTOs must bridge this gap and make sure agents are well equipped to sell Europe.

- In summary, in the near to medium term, long-haul travel from Malaysia would be constrained by economic weakness and currency control. But over the long term, Europe with its varied tourism offerings, particularly those associated with its rich culture and history, has a good chance of attracting more Malaysian travellers provided the weaknesses identified in the research are addressed.

- Since it generally takes about three years before one begins to see the results of marketing investment, *ETC* members should make full use of this period of economic malaise in Malaysia, indeed in the other Asian markets as well, to lay the ground work for a solid marketing plan and begin to implement some relatively inexpensive programmes as recommended in this and the other two reports, in anticipation of the recovery and the pent-up demand that usually follows. Over the long term, Asia with its large population base and growing appetite for overseas travel, is a market that cannot be ignored.

1. TRAVEL TRADE SURVEY

1.1 Objectives of the Travel Trade Survey

- To get an indication of the current and future sales and bookings of Malaysia travel to Europe vis-à-vis other long-haul destinations.
- To identify factors that encourage or inhibit Malaysia 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.

1.2 Travel Trade Profile

- The survey sample was equally split between wholesalers and retailers.
- All respondents had been in business for more than five years.
- More than half (57%) were independent outfits with one outlet.
- More than three quarters conducted 25-30% of their to Europe to Europe in 1996.

Business to Canada was less than 25% for 93% of the respondents.

Exhibit 1. Respondent Business Profile

TOTAL	**N=30**	**% of Total**
Type		
Wholesale Tour Operator	15	50
Retail Travel Agent	15	50
Years in Business		
5 years +	30	100
Company Size		
Independent (1 office)	17	57
Chain (2 or more branches)	13	43
% Business to Europe		
25-30	23	77
30+	7	23
% Business to Canada	N=14	
Under 25	13	93
25-30	2	7

Annual Sales and Passenger Bookings

- In view of the high non-response to the sensitive question on annual sales in dollar terms, the results must be viewed with great caution. Of those who responded, 27% said that their sales were less than RM5 (US$2) million, with the same number making sales of RM5-5.75 ($2-2.3) million, while 26% realised sales of more than RM7.5-40 ($3 to 15.9) million.
- 40% of the respondents handled bookings of 4,000 or less passengers a year, while 35% had bookings of over 8,000.

Exhibit 2. Total Annual Sales and Passengers Volume

Base: 30

	Sales Volume	Passenger Volume	
	100%	100%	
RM (Million)*			
Less RM5 (US$2)	27	Less than 2,000	20
Over RM 5-7.5 (2-3.0)	27	2,001-4,000	20
Over RM 7.5-10 (3.0-4.0)	10	4,001-8,000	23
Over RM10-40 (4.0-15.9)	16	Over 8,000	37
Don't know/Refused	20		

** RM2.5154= US$1 (Pre-crisis rate) RM: Ringgit Malaysia*

Business by Region and Trip Purpose

- 39% of their sales were to Asia, with 20% each for Australia/New Zealand and Europe.
- In terms of ranking by passenger bookings, Asia topped the list, followed by Australia/New Zealand and Europe.

- Overall, 45% and 43% of their sales were for holiday and business travel respectively.
- 50% of their sales to Europe was for holiday with 39% for business travel.
- 51% and 23% of their sales to Canada was for holiday and business travel respectively.

(See Exhibits 3 and 4)

Exhibit 3. Percent of Business by Region

Base: 30

Region/Country	Total Sales 100%	Mean Rank (Sales)	Mean Rank (Passengers)
Asia	39	1.55	1.61
Australia/New Zealand	20	2.45	2.45
Europe	20	2.77	2.73
USA	12	3.69	3.68
Canada	2	4.20	4.40

Exhibit 4. Percent of Business by Purpose

		Holiday	Business	Holiday & Business
Base: 30	100%	%	%	%
Total	100%	45	43	11
Europe	100%	50	39	10
Canada*	100%	51	23	20

**Canada: Base=14*

Business by Travel Arrangement

- Sales of travel to Europe were almost evenly split between package tours and independent travel.
- In contrast, sales of independent travel (55%) to Canada was higher than package tours.
- Respondents expect a slight increase in independent travel to Europe in the next three years, with little change in Canada.

1.3 Package Tours to Europe

- 47% of the respondents felt that “full package tours” to Europe would show the greatest increase in the next three years, followed by “flight with accommodation” (23%), “flight with car and accommodation” (17%) and “flight with rail and accommodation” (13%).

Exhibit 5. Business by Travel Arrangement

Base: 30

	Package %	Independent %
Past Year		
Europe	51	49
Canada	44	56
All long-haul	49	51
Next Three Years		
Europe	49	51
Canada*	45	55

**Canada: Base = 14*

Average Group Size

- There is no great difference between travellers to Europe and other long-haul destinations - half of them travelled in groups of 25 or more with 43% in groups of 10-24.
- In contrast, nearly 30% of those who went to Canada travelled in groups of less than 10 people with only 21% in groups of 25 or more.

Exhibit 6. Average Group Size of Tour Package

Base: 30	Europe 100%	Canada* 100%	Other Long-Haul 100%
Group Size			
Under 10	7	29	3
10-24	43	43	40
25+	50	21	57

**Canada: Base = 14*

Lead Time in Planning Tours

- More than half of the respondents started planning their tours between one to three months before departure, a third started planning 4-10 months ahead with 13% planning more than 12 months in advance. The average lead time was 4.8 months.

- Two thirds made their ground arrangements 4 to 5 or more weeks before tour departures. The average lead time for finalising ground arrangements was 8 weeks.

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

Base: 30

	Planning 100%		Ground Arrangement 100%
1-2 months	26	1-2 weeks	13
3 months	27	3 weeks	20
4-10months	33	4 weeks	30
12+ months	13	5 + weeks	36
Mean (month)	4.80	Mean (week)	8.00
Median (month)	3.00	Median (week)	4.00

Difficulties in Organising Tours to Europe

- 37% said they had no problem. One of the two major problems was related to food particularly for Muslims (17%). Other problems has to do with currency fluctuation (13%) and relatively high cost in Europe compared to other destinations (10%).

Maximum Malaysians Prepared to Pay for Trips to Europe

- The mean average for a one week trip covering two countries in Europe was RM3,676 (US$1,461). Just over half (52%) of the respondents were prepared to pay RM1,000-3,500 (US$398-1,391) for a trip of this duration.
- The mean average for a two week trip visiting five countries was RM6,024 (US$2,395). About half were willing to pay RM5,000-6,000 (US$1,988-2,385).

Exhibit 8. Maximum Prepared to Pay for Holiday in Europe

Base: 30	One Week Two Countries		Two Weeks Five Countries
RM (US$)	100%	*RM (US$)*	100%
1,000-2,500(398-994)	19	2,200-4,500 (875-1,789)	26
3,000-4,000 (1,193-1,590)	52	5,000-6,000 (1,988-2,385)	46
5,000-7,500 (1,988-2,982)	23	7,000-12,000 (2,783-4,771)	23
Mean RM3,676	US$1,461	RM6,024	US$2,395
Median RM3,586	US$1,426	RM5,840	US$2,322

** RM2.5154 = US$1 (Pre-crisis rate) RM: Ringgit Malaysia*

1.4 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 three attributes are:

- Safety
- Attractively priced tour package
- Good local transportation

Also of importance are:

- Inexpensive to travel to country
- Destination offers good value
- Good shopping
- Environment is clean and unpolluted
- Pleasant climate

Exhibit 9. Destination Choice Factors

Base: 30	**Mean Rating**	Very Important	**Important**	**Fairly Important**	**Not Important**

Score:		(4) %	(3) %	(2) %	(1) %
Feeling safe and secure	3.90	90	10	0	0
Attractively priced tour package	3.80	83	13	3	0
Good local transportation	3.73	73	27	0	0
Inexpensive travel to country	3.67	73	23	0	0
Destination offers good value	3.67	73	20	7	0
Good shopping	3.63	67	30	3	0
Environment is clean and unpolluted	3.63	67	30	3	0
Pleasant climate	3.60	67	27	7	0
Interesting towns and cities	3.57	57	43	0	0
Places I can talk about when I go home	3.57	67	27	3	0
Ease of obtaining visas	3.57	63	30	7	0
Outstanding scenery	3.53	57	40	3	0
Has activities/attractions for whole family	3.47	57	33	10	0
Good connections with major airlines	3.47	53	40	7	0
Good food and restaurants	3.23	40	43	17	0
Has famous historic sites and monuments	3.17	37	43	20	--
Interesting local festivals	3.17	33	50	17	0
Friendly, courteous people	3.10	37	37	27	0
Plenty of night life and entertainment	3.00	30	47	17	7
Interesting culture and history	3.00	40	20	40	0
Good place for a honeymoon	2.93	20	53	27	0
Good beaches	2.43	10	33	47	0
Has famous art galleries and museums	2.40	10	27	57	7
Theatre, concerts and musicals	2.20	3	27	57	13

- When asked to identify three top factors from the list of 24 they had just rated, “attractively priced tour package”, “destination offers good value” and “good shopping” came out top with “attractively priced tour packages” well ahead of the other two with a total mentions of 20 in the top three.

Exhibit 10. Factors and Reasons for

Favouring Europe

Base: 30	**Top 5 Factors Mean Rating**
Factors	
Feeling safe and secure	3.90
Attractively priced tour packages	3.80
Good local transportation	3.73
Inexpensive to travel to country	3.67
Destination offers good value	3.67
Three Most Important Reasons	**Mean Rank**
Beautiful scenery	1.69
Culture	1.80
Climate/four seasons	1.93

- Respondents were also asked to give the three most important reasons why their clients choose Europe for their holidays. The three most important reasons are:
  - Beautiful scenery
  - Culture
  - Climate/four seasons
- Although their responses were rather different from their earlier rating of the listed factors, they are not inconsistent. While price and value for money is undoubtedly important in the deciding between destinations, so are the intangibles such as the culture and natural beauty of a country.

Barriers of Travel to Europe and Canada

- Bearing in mind that interviewing for this study took place shortly after the financial crisis in South East Asia, it is not surprising that the greatest barrier discouraging travel to Europe is undoubtedly *unfavourable exchange rate* against the Malaysian ringgit which took a beating along with the Thai baht and other South East Asian currencies. This was mentioned by 63% of the respondents in connection with Europe and 31% for Canada.

- Other barriers mentioned for Europe are *language problems* and *high cost* and the *cold weather* and *long travel time* for Canada.

Complaints from Malaysian Travellers to Europe and Canada

- The main complaints of Malaysians returning from Europe were: *Food/things too expensive*" (33%), *exchange rate* (17%),*language barrier* (13%) and *Not used to food* (13%).

- 62% of the 14 who responded on Canada had no complaint. Two respondent mentioned the *cold weather*.

Favourite Destinations

- The top 5 cities for business travellers in descending order, according to a count by first choice combined with the total of the top five mentions, are**:** London, Paris, Zurich, Amsterdam and Rome.
- The top five holiday destinations are: London, Paris, Zurich, Amsterdam and Rome.
- There is not much difference in the ranking of destinations for any purpose of travel, except for Rome which has moved to fourth place.

Exhibit 11. Top Five European Destinations

Base: 30	**BUSINESS**		**HOLIDAY**		**ANY PURPOSE**	
	1st Choice	**Total Mentions**	**1st Choice**	**Total Mentions**	**1st Choice**	**Total Mentions**
London	24	29	22	27	21	27
Paris	2	27	3	28	3	28
Zurich	2	21	2	21	3	20
Amsterdam	1	21	--	17	0	16
Rome	0	12	1	18	1	17

- An overwhelming majority 26 out of 30 gave "None" when asked to name destinations that will become less popular.

1.5 Sales Support, Promotional and Sales Tools

- Respondents were receiving sales support primarily from National Tourist Organisations (NTO) which received 25 mentions of which 9 were European, and airlines.

Exhibit 12. Sales Support

Base: 23	**#Mentions**
NTOs	25
Airlines	11
MATTA*	6
Travel agents/ Tour operators	5
Hotels	3

**Malaysian Association of Tour & Travel Agents*

- More than three quarters (77%) are receiving sales support. *Brochures/leaflets* were the most frequently used sales tool (26 mentions), followed by *travel magazines/newspaper articles* 16 mentions), *travel video tapes* and *joint promotion with tour wholesalers* (15 mentions each).

- National tourist offices were mentioned by only 7 respondents. The role of NTOs as a direct information source is often under-rated in travel surveys; to put things in proper perspective it should be noted that a lot of the promotional materials such as brochures *are* produced by NTOs.
- Other standard promotional aids such as *familiarisation tours*, *seminars*, *personal sales calls, slides/film shows and lectures* were mentioned by 8 or less respondents. *Internet/CD ROM* was mentioned by 5 and *trade shows in Europe* by 4 at the tale end.

- *Brochures* remain at the top (29 mentions) as the sales tool respondents would like to have. Others include *joint promotion with tour wholesalers* (27), *familiarisation tours* (26), *travel video tapes* (25), *travel magazines/newspaper articles (25)*, *consumer advertising (25), availability of package tours* (24), *trade shows in Europe* (24), *seminars/training programmes* (23), *NTOs* (22). The remaining sales receive 15 or more mentions.
- The results show a big gap between what respondents are currently using and what they need and would like to have. This gap obviously needs to be filled in order for travel agents and tour wholesalers to do a better job of selling European destinations.

(See Exhibit 13)

Exhibit 13. Promotional Tools for Selling Travel To Europe

	Currently Using	**Would like to Have**
Base:	30	30
Brochures/leaflets	26	29

Travel magazine/newspaper articles	16	25
Travel video tapes	15	25
Joint promotion with tour wholesalers	15	27
Travel trade advertising	14	20
Direct mail	13	18
Consumer advertising	12	24
Experiences and feedback from clients	12	21
News release/updates on special events	10	22
Availability of package tours	10	24
Point of sale and display materials	9	19
Familiarisation tours	8	26
Reference and information materials	8	21
Seminar/training programmes	8	23
Personal sales calls and meetings	7	15
National tourist offices	7	22
Slides/film shows and lectures	5	19
Internet/CD ROM	5	18
Trade shows in Europe	4	24

Exhibit 14. Ranking of Promotional Tools

	1st Choice	Top 3 Mentions
Base:	30	30
Consumer advertising	11	12
Travel trade advertising	5	11
Brochures/leaflets	4	14
Travel magazines/Newspaper articles	1	9
Direct Mail	--	9
Travel video tapes	1	5
Point of sale display materials	--	5
Joint promotion with tour wholesalers	1	4
Internet/CD Rom	3	3
National tourist office	2	3
News release/updates on special events	--	3
Availability of package tours	--	3
Familiarisation tours	--	2
Personal sales calls and meetings	--	2
Slide/film shows and lectures	1	1
Experiences and feedback from clients	1	1
Reference and information materials	--	1
Travel trade shows in Europe	--	1
Seminars/training programmes	--	1

Most Useful Sales Tools for Selling European NTOs

- The most useful tools mentioned by agents were: *Travel trade advertising, consumer advertising and familiarisation tours.* Caution must be exercised when looking at these results because of the small number rating individual items.

- When asked what more can NTOs do to help them sell their destinations, more than half (19) the respondents (63%) answered “None”. Four mentioned “promotion of special events well in advance”.

- Other mentions include: “more aggressive advertising”, “promotion of special events well in advance (4). Other suggestions include “workshop for agents’, “good tour packages with good rates”. Again because of the low response, caution should be exercised when looking at these responses.

- Respondents felt that the most cost-effective media for NTOs to promote their destinations are: *Newspapers* mentioned by two-thirds, *TV advertising* and *Travel trade advertising* each mentioned by half of the respondents. *Consumer magazines* and *TV programmes* were mentioned by 8 and 6 respondents respectively.

- The most widely attended European travel trade show was WTM London, UK mentioned by 16 respondents. ITB Berlin, Germany was a distant second mentioned by five. Eleven did not attend any of the European trade shows listed.

1.6 Travel Trade’s Service and Influence on Clients

- Assistance with *application for visa* was the service most often provided by respondents which received a frequency rating of 2.63, followed by *choice of hotel* (2.38), followed closely by *planning itinerary* (2.37) and *choice of tour package* (2.37). Respondents also frequently recommended *airlines* to their clients (2.34).

Exhibit 15. Recommendation of Services to Clients

Base: 30	**Mean Rating**	**Very Often**	**Quite Often**	**Rarely**
Score:		(3)	(2)	(1)
		%	%	%
Visa application	2.63	70	23	7
Choice of hotel	2.38	53	33	13
Planning itinerary	2.37	50	37	13
Choice of tour package	2.37	47	43	10
Choice of airlines	2.34	47	40	13
Local sightseeing tours	2.17	37	43	20
Arrange airport transfers	2.00	30	37	33
Side trips to nearby destinations	1.93	20	53	27
Choice of destination	1.54	17	43	40

- Respondents felt they had considerable influence on their clients in most areas, particularly in the following:
  - Planning itinerary
  - Type of tour package
  - Specific tourist sites to visit
  - Choice of airline
  - Choice of hotel
  - Local sightseeing tours

Exhibit 16. Travel Trade's Influence on Clients

Base: 30 Score:	**Mean Rating**	**Very Influential (4) %**	**Influential (3) %**	**Fairly Influential (2) %**	**Not Influential (1) %**
Planning itinerary	3.57	73	13	10	3
Type of tour package	3.57	63	30	7	--
Specific tourist sites to visit	3.43	50	43	7	--
Choice of airline	3.40	53	33	13	--
Type of accommodation	3.40	53	33	13	--
Local sightseeing tours	3.37	50	40	7	3
Type of activities	3.33	50	37	10	3
Type of transportation at destination	3.17	47	27	23	3
Time of year to travel	3.13	37	40	23	--
Specific countries/cities	3.13	30	53	17	--

1.7 Trip Cancellations

- Of the 20 respondents who had cancellations of bookings to Europe in the past 12 months, 11 had cancellations of up to 10%, the rest had cancellations of 11% or more, with four with 31% or more cancellations.
- 8 of the respondents said that the level of cancellations was about the same, with 9 saying it was lower than other long-haul destinations.
- Exchange rates, by far the most important reason for cancellation, was cited by 11 of the 20 respondents, while three mentioned not enough people to form a group as the reason.

Exhibit 17. Cancellations Past 12 Months

	Total	**Wholesaler**	**Retailer**
Base: 20	20 100%	10 100%	10 100%
Percent			
1-10%	55	40	70
11-20	25	50	0
30+	20	10	30
Level*			
Higher	15	10	20
About the same	40	30	50
Lower	45	60	30

**Compared to other long-haul destinations*

1.8 Future Outlook for Travel to Europe

- Not surprisingly, 21(70%) out of 30 respondents said there was an unusually large number of cancellations since the Asian crisis which resulted in a devaluation of the Malaysian currency.
- Of the 21 who had cancellations, 16 (76%) said the cancellations were mostly for long-haul.
- 26 or 87% said there had been a significant drop in overseas holiday bookings.
- 18 or 69% said the cancellations were mostly for long-haul travel.
- 13 or 43% felt that the currency devaluation would definitely lead to a continuing drop in long-haul holidays in the next one to two years.
- As to be expected, the single most important factor likely to affect travel to Europe in the short-term (1-2 years) mentioned by 80% of respondents was *exchange rate/currency*. Over the medium term (3-5 years), concerns about *exchange rate* and the *economy* dropped to 23% each. The other factor mentioned by 20% was *pricing of package tours*.

2. CONSUMER SURVEY

The key points of the Consumer Survey on past and potential Malaysian 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

2.1 The Travel Experience

- The Malaysian long-haul holiday market, as defined for this study, consists of residents of the urban centres of Kuala Lumpur, Petaling Jaya, Penang and Ipoh; aged 20 or over who claimed to have :
    - Taken a long-haul holiday out of Asia in the previous five years;
    - Or had 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 RM 5000 (US$1,988) or more.
- Three out of four respondents (76%) had taken a long-haul holiday in the previous five years, with almost two-thirds (62%) visiting Europe. Eight out of ten (82%) claimed they would be taking a long-haul holiday within the next three years, with 78% 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 Malaysian 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.
- Definitions for the purpose of this study :
    - *Past Europe* refers to travel in Europe in the past five years;
    - *Most Recent* or *Last* 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;

- *Inclusive Package Tour* as used in this report includes airfare, accommodation, meals and local tours, *Independent Travel* includes "basic packages" which includes airfare and accommodation, as well as "air fare only" arrangement.

Demographic Profile of Travellers to Europe

- The profile of the total market for holidays from Malaysia to Europe is :
  - Equally divided between male and female;
  - Focused on those aged 20 to 39 (58%);
  - More likely to be married than single (63%);
  - Relatively highly educated (63% educated beyond Secondary level);
  - Likely to have a relatively long holiday entitlement if employed (35% claimed 19 or more days a year);
  - English speaking (96%).

  - There are significant demographic differences in the market between those with past experience of Europe and new travellers to Europe (*See* New European Travellers in *Exhibit 1*) Compared with experienced visitors to Europe, new travellers tend to be :
  - Rather more biased towards men (56 % vs. 47%);
  - Younger (67% aged 20 to 39 vs. 53%);
  - Marginally less well educated (56% post-secondary vs. 67%);
  - Marginally less well off (58% with income up to RM7,500 (US$2,982) vs. 49%);

- This change in the profile indicates a marginal widening in the market for European holidays, from the better off and better-educated segments of Malaysia. At least this was the case at the time of interview. Economic instability in Malaysia, as in much of Asia, may have a short-term effect in limiting the availability of long-haul trips to a wider sector of the population.

(See Exhibit 1)

Number of Long-Haul Trips in Past 5 Years

- Almost half those taking any long-haul holiday in the last five years (45%) had taken only one such trip. Of the remainder, about half (27% of all long-haul holiday takers) had taken 2 trips. Only 12% had taken four or more trips. The average number of trips in the last five years was 2.13.
- There was some variation in the number of trips taken by different demographic groups. Older people, those aged 50+ claimed the highest frequency (2.64). Other more frequent travellers included the highest income group (2.73 among those with a monthly income over RM12,500 (US$4,969).

(See Exhibit 2)

Exhibit 1. Demographic Profile of Past and Intending Travellers

	All Respondents	Most Recent Europe	New European Travellers
Base :	400	247	152
	%	%	%
Gender			
Male	50	47	56
Female	50	53	44
Age			
20-29	31	29	33
30-39	27	24	34
40-49	19	22	14
50 or more	23	26	18
Marital status			
Single/Other	37	38	37
Married	63	62	63
With children	54	54	54
No children	46	46	46
Education			
Up to Secondary	37	34	42
Vocational/College /Technical/University	58	60	54
Post Graduate	5	7	2
Occupation			
High status	34	36	31
Middle status	20	19	22
Staff status	13	12	14
Self-employed	19	17	22
Other	14	15	10
Monthly income			
RM5001-7500	53	49	58
RM7501-12500	22	23	20
RM12501 or over	14	15	11
No Response/Refused	12	12	11
Paid holidays (days)			
1-18	27	26	28
19+	35	38	29
No specific period	38	36	43
Speak foreign languages			
English	96	97	95
Other	1	1	1
None	3	2	4

Exhibit 2. Number of Long-Haul Trips

	All Long-haul	Past Europe
Base :	302	247
	%	%
One trip	45	43
Two	27	26
Three	16	16
Four or more	12	15
Average	2.13	2.24

Countries Visited in Last Five Years

- The UK dominates the European long-haul holiday market from Malaysia. More than seven out of ten (71%) included that destination among the countries visited in the previous five years. Experience of other European destinations was also very limited. Only six of the 27 European countries included in the survey were visited by more than one in six long-haul holiday visitors in the past five years. Thus the most popular European destinations for Malaysian holiday takers were :
  - United Kingdom (71%)
  - France (34%)
  - Germany (20%)
  - The Netherlands (19%)
  - Switzerland (17%)
  - Italy (17%)
- The two main competing countries were the US (32%) and Australia (32%). Other competing long-haul destinations were Canada (visited by 12%) and New Zealand (10%).Both these destinations appeared to have been most affected by trips to Europe, with Australia the most affected. Among those also visiting Europe, the proportions visiting these two countries fell to 28% and 24% respectively.

(See Exhibit 3)

Recent European Trips

Non-Holiday Trips

- Just over half of recent long-haul travellers (51%) claimed to have been on non-holiday trips to Europe. The most frequently given reasons for such trips were to visit relatives (21%) or friends (10%), to study (21%), for official business (19%) or as an incentive trip (10%).

(See Exhibit 4)

Exhibit 3. Countries Visited in Last Five Years

	All Past Long-Haul	Past Europe
Base :	302	247
	%	%
Europe		
United Kingdom	71	86
France	34	41
Germany	20	24
Netherlands	19	23
Switzerland	17	21
Italy	17	21
Belgium	13	15
Turkey	8	9
Austria	5	7
Denmark	5	6
Greece	5	7
Spain	3	4
Ireland	3	4
Monaco	3	3
Other Europe	10	12
Other Long-haul		
USA	32	28
Australia	32	24
Canada	12	11
New Zealand	10	8
Middle East	6	7
South Africa	3	3
Other long-haul	3	3

Exhibit 4. Types of Non-Holiday Trips Taken

	Non-Holiday Trips
Base :	127
	%
Visiting relatives	21
Study	21
Official business	19
Visiting friends	10
Incentive trip	10
Commercial business	6
Conventions	6
Employment	3

Most Recent European Holiday Trip

Number of Countries Visited

- The average number of countries visited on the most recent holiday trip to Europe trip was 2.3. One in two visited only one country, but the remainder claimed a fairly wide spread, with one in five visiting four or more countries.
- Those on inclusive package tours tended to have a more extended itinerary, visiting 2.8 countries. This compares with an average of 2.0 for independent travellers. One in four of those on inclusive package tours (24%) visited five or more countries.

(See Exhibit 5)

Countries Visited on the Last European Trip

- The domination by the United Kingdom of the Malaysian European holiday market is confirmed with four out of five travellers including this destination on their last trip.
- Only six other countries were included in more than 10% of visitors' itineraries. Apart from the UK, the more popular destinations were France (visited by 41%), Germany (24%), the Netherlands (23%), Switzerland (21%), Italy (21%) and Belgium (15%).

Independent travellers were rather more likely to concentrate on the more popular destinations, whereas those on inclusive package tours visited a wider range of countries. Switzerland and Italy were particularly likely to be visited by those on inclusive package tours, and Turkey and Greece joined the destinations visited by at least one in ten of this group.

(See Exhibit 6)

Exhibit 5. Number of Countries Visited on Last European Trip

	Total	**Travel Arrangement**	
		Full Package	**Other**
Base :	247	89	150
	%	%	%
One	50	44	52
Two	19	18	19
Three	13	9	16
Four	6	6	7
Five or more	13	24	7
Average number visited	2.3	2.8	2.0

Exhibit 6. Countries Visited on Last European Trip

	Total	Travel Arrangement	
		Full Package	Other
Base :	247	89	150
	%	%	%
United Kingdom	82	74	86
France	34	35	35
Netherlands	19	25	17
Switzerland	18	29	12
Germany	18	23	16
Italy	15	21	11
Belgium	12	18	8
Turkey	8	16	3
Greece	5	14	-
Denmark	4	6	3
Spain	3	1	4
Ireland	3	3	3
Austria	2	5	1
Other countries	6	8	7

Arrival Cities

- London was the leading entry point into Europe for holiday travellers from Malaysia on their most recent trip. Three out of four (74%) arrived through that city. Three other cities received the bulk of the rest of the visitors: Paris (6%), Athens (5%) and Frankfurt (4%).
- London was rather less important as an entry point for those on inclusive package tours (64%). Athens (11%), Paris (9%), Rome (6%) and Amsterdam (5%) were the other key arrival cities for inclusive package tours.

Exhibit 7. Arrival Cities

	Total	Travel Arrangement	
		Full Package	Other
Base :	247	89	150
	%	%	%
London	74	64	79
Paris	6	9	4
Athens	5	11	2
Frankfurt	4	1	6
Rome	3	6	2
Amsterdam	2	5	1
Other cities	6	4	7

Season of Travel

- There was no peak season for the arrival of holiday visitors from Malaysia. Spring, Summer and Autumn were all popular seasons for travellers in general. June and September (both with 14% of arrivals) were the most popular individual months.
- Inclusive package holidays were evenly spread over the four quarters. Independent travellers were rather more inclined to favour Summer and Autumn.

Exhibit 8. Season of Travel

	Total	Travel Arrangement	
		Full Package	Other
Base :	247	89	150
	%	%	%
Spring	26	25	25
Summer	29	28	31
Autumn	26	23	29
Winter	15	25	10

2.2 Decision-Making and Planning Process

Lead Time – Planning and Booking the Last European Trip

- A wide range of lead times were claimed for both planning and booking the most recent holiday trip to Europe. The most frequently mentioned lead times for planning were one month (27%), three to four months (22%) and five-six months (20%). More than half planned their trips three or more months ahead. The average period was just under 4 (3.8 months).
- Within this planning framework, there was an equally widespread period before departure for booking the trip. Four out of ten (39%) booked within two weeks of departure, but rather more (44%) booked at least four weeks before leaving for Europe. The average booking period was about a month (4.2 weeks).
- There were some variations in the patterns of trip planning and booking by groups:
    - Longer planning times were claimed by those living in Kuala Lumpur, younger travellers, those with young children, those visiting three or more European countries and those who used rail travel between countries.
    - Shorter planning leads were claimed by those living outside K.L., older people, and those visiting just one European country.
    - Longer booking periods were claimed by those living in K.L., younger people, frequent long-haul travellers, those visiting two or more countries, those on inclusive package tours and those using air travel between European countries.
    - Those visiting just one country claimed shorter booking times.

Exhibit 9. Lead Times

Planning Period		Booking Period	
Base ;	247	Base :	247
How far planned ahead?	%	*How far booked ahead?*	%
One month	27	One week	19
Two months	19	Two weeks	20
Three to four months	22	Three weeks	17
Five to six months	20	Four weeks	27
More than six months	12	Five or more weeks	17
Average No. of months	3.8	Average No. of weeks	4.2

Sources of Information for the Last European Trip

- When preparing their most recent visit to Europe Malaysian visitors used two contrasting sources of information :
  - Brochures from travel agents (59%), especially those on inclusive package tours, those visiting three or more countries and those from the Chinese community;
  - Friends or relatives with European experience (36%), especially those spending more than 15 nights in Europe.
- Other popular, but less frequently used sources included :
  - Travel guide books (19%), especially by younger travellers, those visiting three or more countries or who spent more than 15 nights in Europe;
  - Brochures from airlines (16%);
  - Travel magazines (11%), especially those visiting three or more countries;
  - Articles in newspapers (10%), especially by women.
- Although the number claiming to use sources directly from European governments via embassies and NTOs is small, much of the information gathered from other locally based sources would have been provided initially by the destinations' official tourism bodies.
- Claimed uses of the internet as a source of information were low (4%), but other results from this survey indicate that use of this source of information is likely to grow rapidly.

(See Exhibit 10)

Exhibit 10. Sources of Information for Last Trip to Europe

	Total	**Travel Arrangement**	
		Full Package	**Other**
Base :	247	89	150
	%	%	%
Brochures from travel agents	59	70	55
Friends/relatives who have been there	36	29	39
Travel guide books	19	23	17
Brochures from airlines	16	11	18
Travel magazines	11	12	9
Articles in newspapers	10	10	9
Travel fairs	8	3	11
Advertisements	7	6	9
Government NTO	6	5	7
Embassy/Consulate etc.	5	-	7
The Internet	4	3	5
Programme on TV/radio	2	1	2
Other	7	7	6

There were insufficient respondents who reported on sources of information for their last trip to Canada (37) to provide reliable data.

Assistance from Travel Agent on Last European Trip

- Those on inclusive package tours obtained a much wider range of assistance from travel agents than did more independent travellers. Two thirds of all travellers (64%), and both groups, were helped in their choice of airline. For most other types of assistance, users of inclusive package tours were twice as likely to seek help from travel agents.
- The other main types of assistance received were on choice of travel package and destination, choice of hotel, visa applications, airport transfers, local sightseeing tours and planning the itinerary (especially those on inclusive package tours).

(See Exhibit 11)

Exhibit 11. Assistance Received from Travel Agent

	Total	Travel Arrangement	
		Full Package	**Other**
Base :	247	89	150
	%	%	%
Choice of Airline	64	62	67
Choice of travel package	40	63	27
Choice of destination	39	58	28
Choice of Hotel	33	46	27
Visa application	30	44	23
Airport transfers	28	40	21
Local sightseeing tours	28	44	17
Planning itinerary	26	49	14
Arrange travel within countries	17	27	12
Side trips to nearby destinations	14	27	7

Sources of Information Likely to Use for Next Trip to Europe

- Sources of information to be used in planning the next trip to Europe generally compared with those used on the most recent one, though the level of usage was much higher. This is particularly the case for the secondary set of sources used last time, and reflects the much higher proportion of users of inclusive package tours among intending travellers compared with past travel to Europe. Both users of inclusive package tours and other travellers claimed they would consult a wider range of sources for their next trip.
- The most frequently cited sources were the same as those used on the last trip. Brochures from travel agents, friends and relatives with European experience, travel guides, and airline brochures were the most popular.
- Non-users of inclusive package tours were much more likely to claim future use of a range of sources than had been the case on the last trip among this group. These included friends and relatives who had been to Europe, travel guides, airline brochures and travel magazines.
- Lesser used sources for the last trip which are likely to be more frequently consulted included travel fairs, advertisements, and the internet. Almost one in five (17%) claimed they would use the internet compared with only 4% for the last trip. Future usage rose to more than one in five among future non-package tour travellers (25%).

(See Exhibit 12)

Exhibit 12. Information Sources for Next Trip to Europe

	Total	Travel Arrangement		Most Recent Trip
		Full Package	Other	
Base :	312*	179	121	247
	%	%	%	%
Brochures from travel agents	74	75	79	59
Friends/relatives who have been there	39	35	49	36
Travel guide books	36	32	45	19
Brochures from airlines	31	28	38	16
Travel magazines	24	25	25	11
Travel fairs	23	28	19	8
Articles in newspapers	20	22	18	10
The Internet	17	13	25	4
Advertisements	17	20	14	7
Programme on TV/radio	6	5	7	2
Government NTO	6	5	9	6
Embassy/Consulate etc.	5	2	8	5

Includes Don't know/Not sure

2.3 The Trip Itself

Accommodation Used

- Budget and economy hotels (46%) were the most frequently used accommodation types on the most recent trip to Europe, especially among those on inclusive package tours. Luxury hotels, which were used by one in four overall (26%), were also more popular with those on inclusive package tours and those visiting more than one country.
- Non-serviced accommodation also had high usage, with 23% staying in friends' homes and 21% with relatives. This form of accommodation was much more likely to be used by independent visitors. Guest house or bed and breakfast was also popular with this group.
- Those on extended holidays (15+ nights) and the young (aged 20-30) were much higher users of cheaper serviced accommodation, such as guest houses and hostels, and homes of friends or relatives.

(See Exhibit 13)

Exhibit 13. Accommodation Used

	Total	Travel Arrangement	
		Full Package	Other
Base :	247	89	150
	%	%	%
Budget/economy hotel	46	60	39
Luxury hotel	26	47	15
Home of friends	23	10	30
Home of relatives	21	11	25
Guest house/Bed & breakfast	17	6	23
Youth/student hostel	10	7	11

Sightseeing Activities

- A wide range of sightseeing activities was carried out on the most recent trip to Europe. A number of themes were evident. These included :
  - Visiting cultural and historic sites (85%) and museums and galleries (78%);
  - Making use of Europe's shopping facilities (85%) and restaurants (74%);
  - Guided sightseeing (63%);
  - Visiting theme parks (60%);
  - Excursions in the countryside (58%).
- Secondary sightseeing activities included :
  - Travelling around by train (36%);
  - Visiting festivals and cultural events (36%);
  - Going to theatres, concerts and musicals (36%)
- There was little difference in the type of sightseeing done by those on inclusive package tours and other visitors. However, the former were more likely to visit restaurants, take organised sightseeing tours, go to theatres and other forms of entertainment, go to places of worship and to take river cruises.

(See Exhibit 14)

Major Attractions in Europe

- Given the domination of the UK and France in the itineraries of visitors from Malaysia, it is not surprising that attractions in these two countries are most frequently cited among Europe's major attractions.
- The most frequently mentioned individual attractions was the Eiffel Tower, nominated by 61% of visitors as among the top five attractions in Europe. Another leading French

attraction was Euro Disneyland, mentioned by 15%.

- The greatest numbers of frequently mentioned attractions were located in London, the city through which the great majority of Malaysian visitors entered Europe. The most popular of these were Buckingham Palace (42%), London Bridge (39%), Madame Tussaud's (37%), Trafalgar Square (27%) and Oxford Street (22%).
- The major attractions apart from those in London and Paris were the Leaning Tower of Pisa (19%) and the Swiss Alps (13%).

Exhibit 14. Sightseeing Activities

	Total	Travel Arrangement	
		Full Package	Other
Base :	247	89	150
	%	%	%
Cultural/historic sites	85	89	83
Shopping	85	88	83
Museums/Art galleries	78	79	77
Restaurants	74	80	71
Guided sightseeing	63	76	55
Theme parks	60	57	59
Excursions in countryside	58	55	59
Travelling around by train	36	33	38
Festivals/cultural events	36	36	35
Theatre/concerts/musicals	36	45	32
Places of worship	31	39	27
River cruises	28	38	22
Zoos	21	21	21
Bars, pubs	18	15	21
Casinos/race tracks	14	18	12
Sunbathing/beach activities	14	10	17
Night-clubs/discotheques	10	7	12
Hiking	9	11	8
Alpine skiing	7	9	7
Spectator sports	5	5	5
Taking part in sports	3	3	3

Satisfaction with Facilities and Services

- Malaysia holiday takers were generally well satisfied with the services and facilities they used on their most recent trip. The highest levels of satisfaction were expressed for transport facilities, both public transport in general and also for rail services between countries and cities, and for sightseeing tours. For all three, half the visitors claimed they were *Very Satisfied*. *(See Exhibit 15)*

- Accommodation and entry formalities were also generally satisfactory, with about two out of five claiming there were *Very satisfied*. Rather lower ratings were given to restaurants with which only one in four *Very satisfied*, and one in five said they were *Not very* or *Not at all satisfied*.
- Apart from restaurants, very few expressed dissatisfaction with any of the services and facilities they were asked to rate.

Exhibit 15. Satisfaction with Facilities and Services
(excluding those not giving a rating)

	Mean Score	**Very satisfied**	**Somewhat satisfied**	**Not very satisfied**	**Not at all satisfied**
Base: 247					
Score:		(4)	(3)	(2)	(1)
		%	%	%	%
Public transportation	3.54	53	43	1	-
Train facilities	3.48	47	42	2	*
Sightseeing tours	3.47	50	44	2	1
Accommodation	3.30	37	52	8	*
Entry formalities	3.27	37	53	9	*
Restaurants	3.04	24	55	18	1

**Less than 1%*

- Among the different accommodation types, luxury hotels received higher ratings on average than hostels and budget hotels. However, the highest ratings were given by those staying with relatives.
- There was not much variation in the ratings given by type of travel arrangement. More independent travellers, however, gave marginally higher ratings to transport facilities.

Length of Trip

- The average length of stay was slightly less than 14 nights. Roughly equal proportions stayed in Europe for up to seven nights (36%) and between eight and 14 nights (41%). For just over one on ten the visit extended to more than four weeks.
- Those travelling on inclusive package tours had a shorter average stay (11.2 nights) than did independent visitors (15.7 nights). Almost one in five of the latter group (18%) stayed for more than four weeks. Those visiting three or more countries also took rather longer holidays (16.4 nights).

(See Exhibit 16)

Exhibit 16. Length of Trip

	Total	Travel Arrangement	
		Full Package	Other
Base :	247	89	150
	%	%	%
1 to 7 nights	36	45	31
8 to 14 nights	41	37	41
15 to 28 nights	11	15	9
29 or more nights	13	3	18
Average No. of nights	14.0	11.2	15.7

Travel Companion/Party Size

- There were a wide variety of party compositions on the most recent trip to Europe. Family members or friends accompanied most visitors from Malaysia. About one in six travelled alone and just over one in five with their spouse or partner. For those accompanied by their family, the average party size was four.
- Those on inclusive package tours were much more likely to be travelling with their spouse or partner, while those with other travel arrangement were more likely to be travelling on their own or with other family members.

Exhibit 17. Party Composition

Travel Party	
Base :	247
	%
Alone	17
Spouse/partner	21
Children	3
Parents	6
Other relatives	7
Friends	29
Family	13
Business colleagues	13
Private club	3

Family Party Size	
Base :	62
	%
Two	11
Three	26
Four	24
Five or more	26
Average family size	4.0

Travel Arrangement

- On their most recent trip to Europe, most visitors from Malaysia travelled relatively independently. Four out of ten had fully independent travel arrangement, buying just the airfare in advance, and two out of ten bought a basic package of airfare and accommodation only. About one in three travelled on an inclusive package tour, with airfare, accommodation, meals and tours all paid for in advance.
- Women travellers were rather more likely to prefer an inclusive package while men favoured some form of more independent travel arrangement.
- There were other differences between groups on their travel arrangement :
  - Inclusive packages were more likely to be used by those travelling with their spouses or partners, or with friends, with those visiting three or more countries, and those on short trips of up to one week.
  - Independent arrangements were more likely to be popular with those travelling alone or with family members other than spouse or partner, and those staying for more than 15 nights.

Exhibit 18. Travel Arrangement

	Total	Male	Female
Base :	247	116	131
	%	%	%
Inclusive package tour	36	28	44
Basic package	20	26	15
Airfare only	41	44	37
Other	3	3	4

Transportation Used in Europe

- Plane was the most frequently used transport between countries (41%), though both train (25%) and bus (17%) were also used. Between cities on the other hand, both bus (45%) and trains (37%) were more frequently used than plane (15%).
- Travellers on inclusive packages were more likely than those with independent travel arrangement to use plane and bus for getting from country to country, while the latter were more likely to favor trains. For inter-city travel the plane was more popular among package travellers and trains among independent ones.
- A range of other transport services was used, especially by independent travellers.

(See Exhibit 19)

Exhibit 19. Transport in Europe

	Total	Travel Arrangement	
		Full Package	Other
Base :	247	89	150
	%	%	%
Transport between countries			
Plane	41	49	37
Train	25	20	29
Bus	17	27	12
Transport between cities			
Plane	15	25	10
Train	37	25	45
Bus	45	43	47
Other transport			
Public transport within cities	36	20	44
Taxis	23	9	31
Ferries	11	16	7
Rented/self-drive car	16	6	21

Expenditure

- Expenditure on the last trip was obtained in two stages :
  - Before departure, including airfare, tour package etc.
  - At destination, including shopping and payment by credit cards
- The total average expenditure per person before departure is estimated to be RM 3,162 (US$1,257 at pre-crisis rates).
- The total expenditure per party before departure is RM 6,291 (US$2,501).
- The total average expenditure per person in Europe is estimated to be RM 3,294 (US$1,310).
- The average per party expenditure in Europe is RM 6,555 (US$2,606).
- The average per person per day is RM 236 (US$94).
- Average expenditure before departure was higher for inclusive package travellers RM 3,162 (US$1,257) per person compared with RM 2,868 (US$1,140) for independent travellers. Within Europe expenditure was marginally higher for the latter - RM 3,347 (US$1,331) vs. RM 3,211 (US$1,276) for those on inclusive packages.

(See Exhibit 20)

Exhibit 20. Expenditure

	Before Departure			At Destination		
	Total	Full Package	Other	Total	Full Package	Other
Base :	247	89	150	247	89	150
	%	%	%	%	%	%
RM2,500 (US$994) or less	12	6	15	19	23	18
RM2,501-4,000 (US$1,590)	30	21	35	22	26	18
RM4,001-6,000 (US$2,385)	22	30	17	27	20	32
RM6,001-10,000 (US$3,976)	24	28	21	20	21	18
RM10,001 or over	11	12	9	12	10	13
Mean Average per party (RM)	6,291	6,751	5,936	6,555	5,875	6,927
Mean per person (RM)	3,162	3,689	2,868	3,294	3,211	3,347
Mean per day (RM)	227	331	183	236	288	213

US$ = RM2.5154

2.4 Long-Haul Holiday Travel Motivation

Holiday Types Preference (Ratings)

- Respondents were asked which of a number of given holiday types best described their preferred type of long-haul holiday. They were also invited to give a second preference from the list, and to say which, if any, of the holiday types they would not consider at all.
- A holiday with the emphasis on *rest and relaxation* was the most popular holiday for visitors to Europe from Malaysia. However, when second preferences are also considered, two other holiday types were claimed to be almost equally preferred. These were a *touring holiday*, where a variety of places could be visited, and a *holiday experiencing other cultures*. A holiday which combined these elements would suit a large sector of the potential Malaysia market, and would be considered by the majority of travellers.
- *Fully organised* holidays and *adventure types* of holiday were also popular with significant minorities of visitors from Malaysia.

(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	31	47	7
Touring, where you see a variety of places	19	41	2
I would experience other cultures	16	39	3
Fully organised	15	24	4
An adventure type of holiday doing something completely different	10	21	13
Visiting friends and relatives	5	15	10
Cruising holiday	1	3	24
Holiday with extensive use of trains	2	6	10
Special Interest (centred around sport, hobbies)	1	5	24

Destination Choice Factors

- All respondents were asked to rate the various aspects in the choice of a long-haul destination using a four point rating scale from *Very Important* (score 4) to *Not at all Important* (score 1). The mean scores for each of the 24 destination choice factors and the proportion rating them as *Very important* are shown in *Exhibit 22*.
- The top seven destination attributes, and considered *Very important* by about two out of three potential holiday takers, represent a wide range of different aspects of a destination. However, none of them are particularly unique to European destinations, relating more to the financial and practical aspects of a long-haul holiday trip, to climate and scenery, and to the environment. The leading factors were :
    - Feeling safe and secure (81%);
    - Pleasant climate (73%);
    - Inexpensive travel to destination (73%);
    - Attractively priced tour packages (70%);
    - Clean and unpolluted environment (65%);
    - Ease of obtaining a visa (70%);
    - Outstanding scenery (65%).

Exhibit 22. Destination Choice Factors

Base: 400	Mean Score	% Rating Very Important
Top 7		%
Feeling safe and secure	3.78	81
Pleasant climate	3.67	73
Inexpensive travel to country	3.67	73
Attractively priced tour packages	3.64	70
Ease of obtaining visa	3.61	70
Environment is clean and unpolluted	3.61	65
Outstanding scenery	3.60	65
Middle 8		
Destination offers good value	3.55	62
Good connections with major airlines	3.55	60
Good local transportation	3.53	61
Interesting towns and cities	3.50	56
Friendly, courteous people	3.39	52
Places I can talk about when I go home	3.39	56
Good food and restaurants	3.34	48
Good shopping	3.29	49
Bottom 9		
Interesting culture & history	3.20	42
Famous historic sites & monuments	3.13	36
Activities and attractions for whole family	3.04	34
Famous art galleries & museums	2.94	32
Interesting local festivals	2.85	23
Good place for a honeymoon	2.78	27
Good beaches	2.67	23
Theatre, concerts & musicals	2.47	15
Plenty of night life and entertainment	2.32	13

- The next set of choice factors in order of importance to the Malaysian market, and given *Very Important* ratings by at least half the potential market, also have a strong focus on the practical side of a long-haul holiday. However, they do include a number of attributes of specific relevance to European destinations. The practical aspects include :
  - Offers good value for money (62%);
  - Good connections with major airlines (60%);
  - Good local transportation (61%);
- Choice factors in the middle rank with relevance to European destinations include:
  - Interesting towns and villages (56%);
  - Friendly, courteous people (52%);
  - Places I can talk about when I get home (56%)
  - Good food and restaurants (48%)
  - Good shopping (49%).

- Other destination choice factors considered relatively important by the potential market do include a number of attributes readily available in European destinations, especially those focusing on history and culture. They were :
  - Interesting culture and history (42%);
  - Famous historic sites and monuments (36%);
  - Activities and attractions for the whole family (34%);
  - Famous art galleries and museums (32%);

Knowledge of Countries

- Respondents were shown a comprehensive list of European destinations and also the continent's main long-haul competitors. They were asked which of the countries they could claim at least *some knowledge*. Given the length of the European country list, it is not surprising that the level of knowledge claimed varied widely between the best and least known destinations.
- There was a considerable gap between the best known five countries and the next group. At least one in two claimed to know something about the top five destinations. The UK had the highest claimed knowledge, with 88% making the claim to know something about the country. The other destinations in the top set were France (claimed by 68%), Italy and Switzerland (both 57%) and Germany (56%). The majority of the European destinations were known about by between 20 and 50% of respondents. At the other extreme there were six countries with no more than one in ten making any claim to know about them.
- There was a link, at least in terms of rank order, between the frequency of claimed knowledge of the countries and the extent to which they had been visited by Malaysian long-haul travellers in the past.
- Knowledge of the top five countries was on par with the levels claimed for the region's main competitors.

(See Exhibit 23)

Exhibit 23. Countries Know Something About

	Total		Total
Base :	400		400
Top 5	%	***Competition***	%
United Kingdom	88	Australia	78
France	68	USA	72
Italy	57	New Zealand	62
Switzerland	57	Canada	51
Germany	56	South Africa	33
Middle 11		***Bottom 12***	
Turkey	42	Finland	21
Netherlands	40	Monaco	20
Spain	39	Poland	18
Greece	35	Hungary	14
Denmark	33	Iceland	13
Belgium	32	Luxembourg	13
Sweden	30	Czech Republic	11
Austria	29	Bulgaria	10
Ireland	27	Croatia	10
Norway	27	Cyprus	9
Portugal	26	Malta	7
		Slovenia	6

Image of Countries

- The analysis and interpretation of the data on destination images is limited by two factors. In the first place there were very low levels of knowledge of all but a few European destinations among potential holiday visitors from Malaysia. This problem has been compounded by the dominant position held by the UK in this market. The strong and historic connections between Malaysia and the UK, as the former colonial power, trading partner and educational resource, means that much more is known about the UK among all sections of the potential market from Malaysia, than about any other European country.
- This knowledge base is extended by the very high proportion of past visitors who have been to the UK on recent trips. France too benefits from the high proportion of past visitors. Thus knowledge of these destinations far outweighs perceptions of all the other European countries. Indeed, for the bulk of the European countries covered by the survey, very little data was obtained on which to base an image profile. Perceptions of major non-European countries, such as the US and Australia, also appear to have been affected by the dominance of the UK in the outbound Malaysia long-haul holiday market.
- Thus for only the better known top three or four European countries can a definite statement be made. The full results for all destinations are shown as Annex A to this section of the Report.

- The destination image and perceptions are related to the top destination choice factors of Malaysian travellers as presented in *Exhibit 22*. For easy reference these destination choice factors are shown in *italics* in the destination analyses of strengths and weaknesses.
- The key results are presented in three parts. First, the comparative image of the UK, as the dominant European competitor is viewed against major long-haul competitors. Secondly, the image strengths of other main European destinations are contrasted with competitors. Finally, the image strengths of the other major European destinations are discussed.

UK vs. Key Non-European Competitors

- The main strengths of the UK against competing long-haul countries are :
  - Good local transport;
  - Interesting towns and cities;
  - Interesting culture and history;
  - Famous historic sites and monuments;
  - Famous art galleries and museums;
  - Places I can to talk about when I get home,
- The UK is also perceived to be rather better than the other long-haul destinations for :
  - *Feeling safe and secure*;
  - Good connections with major airlines;
  - Theatres, concerts and musicals;
  - Good shopping.
- Rather surprisingly, and an indication perhaps of the halo effect of this destination's domination of the market, the UK is also seen as better than other long-haul countries in having:
  - *Outstanding scenery*;
  - Good food and restaurants.
- Of the competing long-haul destinations, Australia, the US, and to a lesser extent New Zealand, appear to present the greatest threat in terms of image strengths to the dominance of the UK. In particular, the UK cannot match the US and Australia for :
  - *Inexpensive travel to the country* – particularly Australia;
  - Good beaches – Australia and the US.
- On all the other destination attributes regarded by the Malaysian long-haul market as key factors in choosing a long-haul holiday country to visit, perceptions of the UK match those for the leading competitor destinations. These include :
  - *Pleasant climate;*
  - *Attractively priced tour packages;*
  - *Environment is clean and unpolluted;*
  - *Ease of obtaining a visa.*

Other European Destinations vs. Key Competitors

- Of the other European destinations, only France and Italy have specific strengths against other long-haul countries. Positive perceptions for these two destinations focus on their culture and history, including :
  - Interesting towns and cities (especially France);
  - Interesting culture and history;
  - Famous historic sites and monuments;
  - Famous art galleries and museums;
  - Good place for a honeymoon (France is stronger than the UK on this attribute)
- Apart from the UK, European destinations, have weak perceptions in comparison with the major non-European destinations (Australia, the US and New Zealand) on a number of destination attributes, including some of those ranked high by potential holiday visitors from Malaysia :
  - *Feeling safe and secure* (except Switzerland);
  - *Pleasant climate*;
  - *Inexpensive travel to the destination*;
  - *Attractively priced tours*;
  - *Ease of obtaining a visa*;
  - Friendly, courteous people (perhaps related to the market's low skills in European languages apart from English);
  - Activities for the whole family (Disney Paris clearly less well known than UK theme parks);
  - Good beaches.

Image Strengths of Key European Destinations

1. United Kingdom

The UK dominates destination perceptions within the European region. The country has an especially strong image against other European countries on such cost-related and practical attributes as :

- *Attractively priced package tours*;
- Good value;
- *Ease of obtaining a visa*;
- Good connections with major airlines (except for France);
- Friendly, courteous people (a possible reflection of Malaysian travellers' English language skill);
- Activities for the whole family.

There are just two of the attributes covered by the survey on which the UK is weak against its key European competitors. Neither of the weak areas are key destination choice factors for

this market. They are :

- A good place for a honeymoon (France);
- Good beaches (France and Italy).

2. France and Italy

France is the only European destination with an image strength close to that of the UK. It shares with Italy a number of image characteristics, such that the two countries can be most easily dealt with together. However, except for one specific attribute identified below, the the market's image of France is always the stronger.

The image strengths held in common by France and Italy are :

- Interesting towns and cities;
- Good food and restaurants;
- Good shopping;
- Interesting culture and history (Italy marginally stronger than France);
- Famous historic sites and monuments;
- Theatres, concerts and musicals;
- Famous art galleries and museums.

In addition, France is viewed positively for :

- God connections with major airlines;
- Places to talk about when I get home;
- A good place for a honeymoon;
- Plenty of night life and entertainment.

3. Switzerland

Switzerland has a number of destination attributes on which it matches, and in some cases surpasses, all other European destinations except the UK. These include a number of the top rated choice factors:

- *Pleasant climate*;
- *Clean and unpolluted environment*;
- *Outstanding scenery*;
- A good place for a honeymoon.

4. Germany

Germany cannot compete with the top four European destinations, but compared with Europe's other destinations it is viewed as relatively strong on:

- Good local transport;

- Interesting towns and cities;
- Famous historic sites and monuments.

5. Spain

Spain has few image strengths among potential holiday visitors from Malaysia, though it has an above average image perception for interesting local festivals.

2.5 Future Long-Haul Travel

Number of Long-Haul Trips in the Next Three Years

- Intending long-haul travellers were roughly equally divided in the expected number of long-haul trips in the next three years between those planning one, two, and three or more. The average number was two.
- New travellers to Europe were planning to take marginally fewer long-haul trips, 1.8 on average.

Exhibit 24. Number of Trips in the Next 3 Years

	All Future Long-Haul	**New European Travellers**
Base :	328	152
	%	%
One trip	36	43
Two trips	32	33
Three trips	21	19
Four or more	5	3
Not sure	7	1
Average	2.0	1.8

Countries Intend to Visit

- The most popular European countries for a future long-haul holiday from Malaysia were the UK (mentioned by 58%), Switzerland (43%), France (42%) and Italy (38%). The highest placed competing destinations were the US (38%) and Australia (36%).
- New European travellers cited the same list of most popular destinations, but showed rather more interest in the UK and France than did all intending travellers.
- A number of European destinations, particularly Switzerland and Italy, had a markedly high level of intending travel despite the level of visits they had received from Malaysia in the

past.

(See Exhibit 25)

Exhibit 25. Long-Haul Destinations in the Next 3 Years

	All Future Long-Haul	New European Travellers
Base :	328	152
	%	%
Europe		
United Kingdom	58	74
Switzerland	43	45
France	42	51
Italy	38	42
Spain	20	17
Turkey	20	21
Germany	17	15
Denmark	15	18
Greece	14	15
Netherlands	14	11
Austria	13	11
Sweden	13	17
Portugal	9	5
Belgium	9	7
Norway	8	8
Monaco	5	3
Ireland	5	4
Finland	5	6
Poland	3	2
Hungary	3	1
Other Europe	10	6
Competitors		
USA	38	44
Australia	36	39
New Zealand	27	27
Canada	21	24
Middle East	10	7
South Africa	10	8
South Pacific	7	9
South America/Mexico	6	6
Central America	6	7

Number of Holiday Trips to Europe

- When asked about the number of holiday trips they intended to take to Europe, the average reported was 1.3. The majority (75%) claimed they would be taking only one trip to Europe in the next three years. New travellers claimed a marginally lower intended trip frequency.

Exhibit 26. Number of Trips to Europe

	All Future Long-Haul	New European Travellers
Base :	328	152
	%	%
One trip	75	84
Two trips	12	11
Three trips	4	4
Four or more	2	1
None to Europe	7	--
Average	1.3	1.2

2.6 Next Trip to Europe

Number of Countries to Visit

- The number of different European countries to be visited on the next trip varied widely. One in four intended to visit just one, while at the other extreme, a similar proportion claimed they would visit five or more countries.
- The average number intended to be visited was 2.8, rather higher than the 2.3 countries claimed by Malaysian travellers on their most recent trip.

Exhibit 27. Number of Countries Planning to Visit

	Next Trip	Last European Trip
Base :	312	247
	%	%
One	25	50
Two	21	19
Three	18	13
Four	9	6
Five or more	23	13
Not sure	3	--
Average number of visit	2.8	2.3

Five Countries Most Likely to Visit

- The most popular countries for potential travellers to Europe were the UK (68%), Switzerland (65%), France (60%) and Italy (58%). These claimed levels of interest shown marked increases over past visits for Switzerland, Italy and France.
- Other destinations to be included in future travel plans were Germany (25%), Spain (24%), Turkey (23%), the Netherlands (19%) and Greece (17%). Of these countries, Spain, Turkey and Greece could expect higher future visitor flows from Malaysia than they had experienced in the past.

Exhibit 28. Five Countries Likely to Visit

	Next Trip	**Last European Trip**
Base :	312	247
	%	%
United Kingdom	68	82
Switzerland	65	18
France	60	34
Italy	58	15
Germany	25	18
Spain	24	3
Turkey	23	8
Netherlands	19	19
Greece	17	5
Austria	14	2
Denmark	14	4
Sweden	13	*
Belgium	12	12
Portugal	9	*
Norway	7	*
Ireland	6	3
Monaco	4	1
Poland	3	*
Hungary	2	*
Finland	2	*

**Less than 1%*

Five Cities Most Likely to Visit

- The three most popular European cities on the next trip were Paris (70%), London (69%) and Rome (57%). These three are well ahead of the next set of cities to be visited which included Vienna (36%), Amsterdam (35%) and Istanbul (24%).

Exhibit 29. Five Cities Likely to Visit

	Total		**Total**
Base :	312		312
	%		%
Paris	70	Copenhagen	17
London	69	Athens	15
Rome	57	Lucerne	15
Vienna	36	Munich	12
Amsterdam	35	Lisbon	11
Istanbul	24	Brussels	10
Madrid	21	Stockholm	8
Frankfurt	17	Prague	6

Season of Travel

- One in four intending visitors were not sure of the time of year they would travel to Europe on their next trip. Those who mentioned a season intended to spread their visits across the year, but with Spring and Summer more popular than the two other seasons.

Exhibit 30. Season of Travel

	Total	**Last European Trip**
Base :	312	247
	%	%
Spring	20	26
Summer	23	29
Autumn	17	26
Winter	17	15
Not sure	23	--

Length of Trip

- The most popular length of stay planned for the next holiday trip to Europe was between one and two weeks, mentioned by one in two intending travellers. The planned average length of 12 nights was rather shorter than that recorded for the last trip (14 nights).
- Those who planned to travel on an inclusive package tour were expecting to stay in Europe for a rather short period, 10.6 nights compared with 13.8 nights for those with independent travel arrangement in mind.

Exhibit 31. Number of Nights Intending to Stay

	Total	**Last European Trip**
Base :	312	247
	%	%
1 to 7 nights	31	36
8 to 14 nights	49	41
15 to 28 nights	11	11
29 or more nights	6	13
Not sure	4	--
Average No. of nights	12.0	14.0

Travel Companion and Party Size

- Respondents would be accompanied on their next planned trip to Europe by their spouse or partner (34%), by friends (26%) or by other family members. Only a very few (7%) expected to travel on their own.
- This pattern is similar to that claimed for the most recent trip, though with rather more travelling with spouse or partner, and rather fewer on their own. The average family party size is marginally higher at 4.3 compared with 4.0 for the most recent trip.

(See Exhibit 32)

Travel Arrangement

- Six out of ten (57%) intending travellers to Europe plan to take an inclusive package tour on their next planned trip. Of the remaining independent travellers, rather more expected to use a basic package (22%) rather than just buying the airfare (16%).
- This pattern contrasts with the travel arrangement made for the last trip, when rather more bought just the airfare (41%) than took an inclusive package tour (36%).

(See Exhibit 33)

Exhibit 32. Party Composition

Travel Party		**Family Party Size**	
Base :	312	Base :	93
	%		%
Alone	7	Two	10
Spouse/partner	34	Three	22
Children	4	Four	29
Parents	5	Five or more	33
Other relatives	5		
Family	19		
Friends	26	Average family size	4.3
Business colleagues	4		
Private club	1		

Exhibit 33. Travel Arrangement

	Total	**Last European Trip**
Base :	312	247
	%	%
Inclusive package tour	57	36
Basic package	22	20
Airfare only	16	41

Expenditure

- On the next trip to Europe, the expected expenditure per person for the complete trip, including air fare or tour package, shopping and all other expenses, is estimated to be RM8,134 (US$3,234 at pre-crisis rate). The average per person per day would be RM680 (US$270).
- Those on an inclusive package expected to pay RM8,319 (US$3,307) per person, while other travellers were expecting to spend RM7,889 (US$3,136).

(See Exhibit 34)

Exhibit 34. Expenditure

	Total Expenditure Per Person		
	Total	**Full Package**	**Other**
Base :	312*	179	121
	%	%	%
Up to RM4,000	12	8	17
RM4,001 – 5,000	22	25	19
RM5,001 – 7,500	18	16	22
RM7,501 – 10,000	34	39	30
Over RM10,000	11	11	12
Average per person	8,134	8,319	7,889
Average per day	680	783	573

Includes Don't know/Not sure

Factors Discouraging Visits to Europe

- Respondents were asked questions to gauge the effect of the current financial and economic crisis in Malaysia and other parts of Asia on the outbound long-haul market of Malaysians.
- Almost one in two (43%) of all respondents spontaneously mentioned that the current unfavourable exchange rates were a discouraging factor in relation to trips to Europe. A further 11% mentioned the economic situation as a negative factor in planning such trips.
- Others mentioned their own problems in raising the money for a relatively expensive European trip.

Exhibit 35. Factors Discouraging Trips to Europe

	Total
Base :	400
	%
Main Factors	
High exchange rate	43
The economic situation/crisis	11
Shortage of funds	11
Europe expensive	7
Cold weather in Europe	3
Lack of time	4
Language problems	2
Food problems (Muslims)	3
Riots/war in Europe	3
Others	6

- When directly questioned on the recent crisis, 72% said that devaluation was making them less likely to take an overseas holiday in the next two years. However, rather fewer, 53%, claimed that the currency crisis had caused them to put off taking a long-haul holiday in the next two years.

Exhibit 36. Impact of Currency Crisis

	Total
Base :	400
	%
Whether less likely to take an overseas holiday in next 2 years	
Yes : Less likely	72
No	27
Whether put off taking a long-haul holiday in next 2 years	
Yes : Been put off	53
Not put off	46

2.7 Media Habits

Readership of Newspapers and Magazines

- Newspapers read regularly by the potential market include :
  - The *Star* (62%)
  - The *Straits Times* (58%)
  - The *Malay Mail* (27%)
  - *Utusan Malaysia* (25%)
  - *Berita Harian* (22%)
- Weekly general magazines are regularly read by eight out of ten potential travellers. The most popular are :
  - *Readers Digest* (37%)
  - *Her World* (19%)
  - *Asia Business News* (17%)
  - *Female* (17%)
- Monthly magazines are read by four out of ten potential travellers, especially :
  - *Asiaweek* (24%)
  - *Time* (23%)
  - *Newsweek* (18%)
  - *Asia Magazine* (18%)

TV Viewing

- The most popular TV channels are *TV3* (claimed by 93% to be among their top three stations), *RTM 2* (84%), particularly for the Chinese population and *RTM 1* (43%), particularly for the Malay population.

Radio Listening

- The leading radio channels among the potential market are *Radio 4* (93% claim it to be among their top three stations), *93.3 FM* (85%) particularly for the Chinese population, *98.8 FM* (43%) particularly for the Malay population, and *Radio 5* (37%).

Use of Internet

- 28% of the potential market use the internet to obtain travel information and 13% claim to use it to make travel bookings.