

# ETC-UNWTO STUDY ON THE GULF COOPERATION COUNCIL (GCC) OUTBOUND TRAVEL MARKET

WITH SPECIAL FOCUS ON EUROPE AS A TOURISM DESTINATION

## Invitation to Tender

### 1. Introduction

In recent years, the Middle East region has become an increasingly important source market for many destinations worldwide with nearly 36 million tourist departures in 2015. This market is one of the smallest, yet fastest growing, tourist generating regions in the world. Within the region, the most important source of outbound travel are the six Gulf Cooperation Council (GCC) countries – Saudi Arabia, United Arab Emirates, Kuwait, Bahrain, Qatar and Oman, which all together constitute about 60% of all outbound travel and about 75% of total international tourism expenditure from the Middle East<sup>1</sup>.

Over the period 2010-2015, outbound travel from the GCC countries to Europe has increased by 16% coupled with a 3.1% growth in consumer expenditure. For this market, the contribution to European overnights is much larger than their contribution to visits growth due to its high average length of stay. This is relatively important as spending and the overall economic contributions of tourism are strongly linked to the number of nights spent in a destination.<sup>2</sup>

The GCC countries are seen as a fast-growing market with the potential to make a significant contribution to the European inbound travel flows in the coming years. To grasp this future opportunity, the European Travel Commission (ETC) and the World Tourism Organization (UNWTO) intend to commission a study that investigates the Gulf Cooperation Council outbound travel market with a special focus on Europe as a tourism destination.

The project is intended to deliver a comprehensive report, including accompanying deliverables, for the benefit of the members of the commissioning organisations (for ETC see <http://etc-corporate.org/members> and for UNWTO see [www.unwto.org/members/states](http://www.unwto.org/members/states)) and the tourism sector as a whole. Results will feed into the ETC Long-term strategy “Destination Europe 2020” and contribute to the further development and promotion of its VisitEurope.com portal (see <http://www.visiteurope.com/en/>)

<sup>1</sup> ETC & UNWTO (2012), *The Middle East Outbound Travel Market*.

<sup>2</sup> ETC (2016), *Understanding the Growth Potential from Long-Haul Travel Markets*

<sup>3</sup> ETC and UNWTO will provide a structure to follow for the elaboration of each country profile and for the elaboration of data tables.

## **2. Purpose of the study**

The aim of the study is to provide ETC, UNWTO and their members with a thorough analysis investigating the potential of the GCC outbound travel market (i.e. Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates) to design targeted and innovative marketing and promotion strategies aimed at increasing tourist flows from this market. Essentially, ETC and UNWTO foresee this research to achieve the following objectives:

- Provide a comprehensive overview of the current state and prospects of the GCC outbound travel market;
- Provide in-depth information on the profile and behaviour of travellers from the GCC nations to Europe identifying experiences and wishes sought concerning travel to European destinations versus competing regions.
- Provide practical guidance and strategic recommendations to European tourism destinations on how to develop appropriate targeted marketing strategies and messages for consumers from the GCC travel market.

## **3. Structure and Content of the Report**

ETC and UNWTO envisage this project to consist of one full report with two phases: Phase 1 (desk research) and phase 2 (primary research) and accompanying deliverables, as specified in 4.2 below. Phase 1 should consist on an analysis with six chapters – one for each market – headed by an introductory analysis of the targeted geographic area based on cross-market comparisons<sup>3</sup>. Phase two should be based on primary research and provide in-depth information on the GCC consumers experiences and wishes concerning travel to and within Europe.

Key results should be illustrated by means of charts, tables or infographics that are both visually appealing and informative. Based on the aforementioned objectives, the final report should be structured as follows:

### **Phase One - Desk Research**

#### **A. General information & analysis of the GCC outbound travel market<sup>4</sup>**

The first phase of the research should provide a broad overview of the GCC countries including: general profile of the countries, identification of travel patterns and behaviour, structure of the travel trade, an analysis of travellers, and internet and media usage. Additionally, the study shall highlight key opportunities and challenges and identify short-term prospects and ultimately update relevant outcomes from the ETC-UNWTO Study on the Middle East Outbound Market (2012) where possible.

Ideally, the research should help identify strategic targets for further research in Phase 2 of this study, with reference to those markets or segments offering greatest opportunity for travel to

<sup>3</sup> ETC and UNWTO will provide a structure to follow for the elaboration of each country profile and for the elaboration of data tables.

<sup>4</sup> ETC may provide a case study related to the targeted market to be included as part of the study.

Europe. This first phase of the study should be based strongly on secondary (existing) sources and a wide range of information that is already available, e.g. National Statistics Offices, reports, studies, websites, and other documents/data available to consultants, UNWTO data, etc. Data sources should be appropriately referenced in the text. The use of consistent sources of information in the study is strongly advised. Consultants are invited to make use of qualitative information enriching statistics, provided it is pertinent, significant, and timely.

All ETC and UNWTO publications<sup>5</sup>, which may prove useful when conducting this study (e.g. *ETC-UNWTO Study on the Middle East Travel Market, Understanding Growth Potential from Long-haul Markets, ETC Research Snapshots on the GCC Outbound Travel Market, etc.*), will be made available to the selected consultant. However, the final report should provide **new and unpublished content** and advance ETC and UNWTO's knowledge.

The commissioned tenderer will be required to produce a report that will consider, as far as possible and where data is available, the elements listed below.

#### (i) Country Profile

- General data about the country (borders, political situation, territory and provinces, capital);
- Socio-demographic data and projections (population, age distribution, ancestry and migration, language & religion);
- Relevant information on business climate and doing business in the country (e.g. legislation on foreign investment), regional integration schemes;
- Economic data and projections (i.e. GDP, GDP per capita, inflation, unemployment, interest rates, exchange rates, private consumption, foreign trade etc.) with information about the relationship between economic development vs. volume of potential travellers;
- Existing and planned transport infrastructure (i.e. airports and ferry ports, destinations serviced by air, sea, rail and road); and
- Air access structure (i.e. information about scheduled flights of all regular and low cost carriers, charter flights abroad, average price levels – evolution and trends) with a particular focus on Europe.
- Provide detailed information about airline statistics including data on nationalities of travelers coming from airports in the different GCC Markets.

#### (ii) Travel Profile<sup>6</sup>

- Trends in outbound tourism; the reports shall provide detailed information on trends in the number of departures and expenditure from each of the select markets (overall, to Europe, to European sub-regions<sup>7</sup> and other world regions, to the most visited destinations);
- Identify extra-European destinations, which compete with Europe on the respective markets (mainly from a traveller perspective, i.e. based on volumes, attitudes, historic ties, diaspora, etc.);
- Detailed information on the characteristics and behaviour of the GCC traveller; this should include behavioural information about the pre-travel phase (i.e. booking patterns, sources of

<sup>5</sup> For a full list of ETC studies, please refer to <http://etc-corporate.org/research-intelligence>.

<sup>6</sup> For this section the format, length and structure will be agreed with the commissioning bodies.

<sup>7</sup> The geographies of Europe are defined as follows: **Northern Europe** is Denmark, Finland, Iceland, Ireland, Norway, Sweden, and the UK; **Western Europe** is Austria, Belgium, France, Germany, Luxembourg, Netherlands, and Switzerland; **Southern/Mediterranean Europe** is Albania, Bosnia-Herzegovina, Croatia, Cyprus, FYR Macedonia, Greece, Italy, Malta, Montenegro, Portugal, Serbia, Slovenia, Spain, and Turkey; **Central/Eastern Europe** is Armenia, Azerbaijan, Bulgaria, Czech Republic, Estonia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Poland, Romania, Russian Federation, Slovakia, and Ukraine.

information, the decision-making process, etc.) and the travel phase (i.e. average length of stay, seasonality, spending per trip, type of trip, travel group composition, holiday activities, accommodation, etc.) as well as information about their characteristics (i.e. socio-demographic indicators, nationality, and others of relevance to segment the market), attitudes, motivations and experiences overall and to Europe;

- Holiday legislation, main holiday periods
- Breakdown of previous travels, repeaters to European destinations, multi-destination travel patterns;
- Preferences with respect to food requirements, shopping, and types of destination and holidays (urban, rural, cultural, active etc.);
- The importance of VFR traffic abroad (highlight which countries have the biggest communities abroad); and
- Barriers to travelling to Europe, not limited to but considering visa formalities and other legal constrains.
- General future travel trends

**(iii) Profile & Structure of the Travel Trade**

- Details as to the importance of the travel trade (vs. direct bookings) and how the outbound travel trade is organised, how it operates, including lists of tour operators, travel agencies, online agencies, air carriers and all other relevant channels of distribution etc.
- It would be useful to include a list of main players and their contacts (including websites) as well as information on their capacity (sales, pax, etc.) and market share, distribution systems, destinations and products on offer, type of clients, marketing and promotions carried out, etc. (these should include online agencies, etc.).

**(iv) Internet Usage / Online behaviour**

- The role of the Internet in the markets' outbound tourism including (inter alia) the penetration and usage of the Internet, top search engines used by web surfers / use of blogs, social media, mobile applications, etc.;
- Travel & the Internet: use for planning, booking and purchasing; and
- Type of information that is of most interest to web surfers: text, images, video, user-generated content etc.

**(v) Media Usage**

- Information on media usage with relevance for tourism marketing (including general, travel related and trade related media – with detailed information on profiles of the media and their 'users' including language).

**(vi) Other Items of Interest**

- A SWOT (S-O vs. W-T) analysis of Europe as a travel destination for the GCC market would be most useful as a conclusion (including the highlights of the countries with highest potential and a short comparison with competing destinations outside Europe);
- Short-term prospects (the conclusion should summarise the outlook, future trends and their implications);
- NTOs with offices in the GCC countries/ main promotional activities carried out by foreign NTOs;
- Main trade shows and fairs (description and dates); and
- Contacts of travel associations.

**All the aforementioned topics should be analysed from a trend perspective (evaluation and prospects), and differences between countries should consistently be tabulated and highlighted where relevant. Data provided should be at least for the years 2000-2015 whenever available and for Europe separately and for longer series whenever possible**

### **Phase Two - Primary Research**

The purpose of Phase 2 should be to understand further the behaviours, opinions, and attitudes of target groups of potential visitors to Europe, building on the findings from Phase 1 of the research. Most importantly, the focus of the second phase should be on the most relevant markets or segments that offer greatest opportunity for European tourism based on the outcomes of phase 1. The consultant should be able to provide a preliminary summary report in the form of a power point presentation outlining main outcomes of the study by 1<sup>st</sup> August 2016.

ETC and UNWTO are open to proposals suggesting different methodologies that would fulfil these objectives. These may include qualitative or quantitative approaches, and may be online or offline. For example, research may be based around online consumer focus-groups, an online survey, or face-to-face research.

Please propose the methodology (or combination of methods) that will be most insightful (within the budget available) in understanding the target market of potential visitors to Europe (and other destinations worldwide) identified in Phase 1, with justifications for your selection. Please find some details below which further define the type of information that is sought from Phase 2.

### **B. Target Groups for consumer research**

At the time of writing it has been assumed that Phase 2 will cover target groups identified as best-prospects in Phase 1 of the study.

For each of the markets, ETC and UNWTO would require the sample to have the following characteristics in each market.

1. Respondents will need to be GCC nationals and permanent residents of that country.
2. All respondents must have travelled internationally in the past 3 years for holiday purposes or plan to undertake international travel for a holiday within the next 3 years.
3. Respondents must be open to considering a holiday in Europe in the next 5 years (non-rejecters).
4. Respondents must be the main or joint decision maker for holiday travel in their household.
5. A balance of respondents who have visited and not visited Europe.

#### **The following items should be included in the interviews:**

- Interest in Europe as a whole (pan-European experiences) vs destination appeal
- In-depth description and characteristics of holiday trips made to Europe as compared with other destinations.
- Wishes and preferences concerning outbound holiday trips and destinations.
- Interest in visiting Europe for different kinds of holidays.

- Image of European countries or parts of Europe vs. other destinations.
- Competitive situation of Europe vs. other destinations.
- Ethnicity/Nationality and Socio-Demographics.
- What are the drivers for travelling abroad and to Europe in particular?
- What are the drivers for return visits to Europe?
- What are the barriers for not travelling or returning to Europe again?
- The decision-making process & booking process.
- Multi-destination travel patterns in Europe: Destinations visited during their trip in Europe
- Consumption and travel patterns of luxury travellers and the importance of luxury indulgence
- Weight of business, VFR and leisure tourism as main drivers of travel to Europe.

### **C. Interviews with the travel trade (optional)**

It is envisaged that the consumer research (B) will form the core of Phase 2, but interviews with the travel trade should also be included, if it is considered that they would add value.

The purpose of the interviews with the travel trade would be to identify positive and negative issues related to selling European destinations in a specific market (visa, cost, air access, awareness, etc.), and namely to shed light on the image of the individual European countries / groups of countries, and to examine how this image / these images can be used to develop the marketing of Europe as a destination and of its individual countries. The interviews would also provide detailed/in-depth information on the different segments among the outbound travelling population, their consumer and travel behaviour and how the GCC market will develop in the near future, both in quantitative and qualitative terms. An understanding of the trade's views on which outbound destinations are easy or hard to sell to consumers would also be of interest (i.e. European destinations vs. North American, Asian, or other Middle Eastern destinations etc.).

The Consultant will be responsible for conducting the research in the appropriate language for the sample (and any translating/interpreting that is required).

The more detailed the information provided by the consultant, the better the prospects for the tender to be approved.

The precise formulation and selection of questions for Phase 2 can be finalised after the contract has been awarded. The list of questions quoted here has been deliberately limited in order to stimulate the consultant to develop the questionnaires. A more comprehensive list of questions for phase 2 can be provided by ETC and UNWTO in due course if needed.

**Note:** The offer should include detailed information about the methodology (sample sizes, places, visitors vs. non-visitors etc.) and information of any subcontracted consultant if the tenderer has plans to subcontract a third part to carry out any part of the research.

### **D. Conclusions and recommendations**

Ultimately, the study should provide conclusions and targeted strategic and tactical recommendations for European National Tourism Organisations/National Tourism Authorities (NTOs/NTAs) and Destination Management Organisations (DMOs) in terms of promoting tourism products, pan-European themes and destinations to the GCC Markets.

## 4. Timescale, Budget & Deliverables

### 4.1 Timescale

The project should be completed and ready for approval within nine months from the date of commissioning. The tender should accommodate in his/her time plan ETC and UNWTO's revision of methodological concepts, lists and deliverables.

It is envisaged that **Phase 1** of the project should be completed and ready for approval within two months from the date of commissioning. Once this stage is completed a meeting will take place between representatives of ETC, UNWTO and the consultant to confirm and agree the sample requirements. **Phase 2** should be completed within six months of this meeting.

After the evaluation of proposals, ETC and UNWTO will communicate its decision to all organisations and individuals who submitted a proposal. A kick-off meeting will be held in a major European city with the awarded consultant(s). Travel and hospitality expenses for the official participation in the meeting are to be borne by the awarded consultant(s). A videoconference could be conceived for an agency based outside of Europe.

### 4.4 Budget & Terms of Payment

ETC and UNWTO have allocated a maximum fixed budget of **Euro 50,000** (inclusive of VAT if applicable) for both phases combined and the proposal should be made within this budgetary constraint (please note: this amount does not include contribution raised by potential sponsors).

All prices should be quoted in **Euro**. The contract will be issued in accordance with ETC's rules and procedures. This exercise commissioned by ETC qualifies as "marketing services" and is therefore subject to Belgian VAT. Please note that ETC should only effectively charge VAT to Belgian companies providing such services. If companies rendering the service qualify as normal VAT taxable businesses, ETC will not have to pay VAT if the companies are not registered in Belgium.

According to ETC standard procedures, the payments for the work will be made as follows:

- 30% - on commissioning and approval of a detailed delivery schedule of the project.
- 40% - following submission of the study and its approval by ETC and UNWTO (N.B. This payment will only be made after all editing requests have been integrated into a final draft that has been approved by the commissioning organisation).
- 30% - the final payment will be made only after completion and approval of the deliverables as specified in 4.2.

### 4.2 Deliverables & Presentation of the Results

The organisation or individual(s) commissioned will be expected to include the following information (and any relevant costs) in the offer:

- A preliminary PowerPoint presentation of main results suitable for a senior marketing audience to be delivered by **1<sup>st</sup> August 2017**. The presentation should include:
  - o Cross-market comparison analysis of the targeted geographical area
  - o Phase 1 (Market profiles): Key results of the most relevant markets for European Tourism (e.g. general profile of the countries, travel patterns and behaviour, structure of the travel trade, analysis of travellers, and internet and media usage.;
  - o Phase 2: Preliminary summary of the key results
- A full report in electronic format (Word and PDF), with the outcome of the research and the report should include:
  - o An Executive Summary;
  - o A clear presentation of the main results of phase 1 and 2;
  - o A detailed description of the applied methodology/ies and contacted experts (as an annex);
  - o Links to download relevant material (as Annex).
- A main PowerPoint presentation of main results.
- A press release (2000-3000 characters).
- An Infographic of key results for public dissemination.

The final report should be in **British English** (as opposed to American English). The commissioned tenderer is responsible for ensuring that the final document is of sufficiently high quality (both the English language and editing) to enable speedy publication without further editing<sup>8</sup>.

The organisation or individual(s) commissioned should be prepared to present the findings online and in person in exclusive events of the European Travel Commission.

- The organisation or individual(s) should be prepared to organise a webinar to disseminate the main results of the study.
- The organisation or individual(s) should also be prepared to give an oral presentation at an ETC Market Intelligence Group Meeting or an ETC General Meeting - depending on the date of delivery.

Travel and accommodation costs for this presentation (1 person) will be covered by ETC and UNWTO.

#### 4.3 Sponsorship / Partnership

The Consultant is free to explore the possibility of sourcing a sponsor or partner for this study. A sponsor organisation would be willing to contribute to the cost of the research in return for co-branding the final report as an ETC /UNWTO/ sponsor report. A partner would be willing to participate in the research based on a contribution that would enhance the overall value of the project, ***without in any way compromising the core objectives of the study as set out in the invitation to tender***. Possible sponsors or partners could be airlines, international hotel groups, credit card companies or other organisations with an interest in the topic.

<sup>8</sup> ETC will make sample reports available to the consultants as well as author guidelines for the final publication.

Once a sponsor / partner has been explored, the cooperation will be discussed and a final decision taken by the commissioning body.

## **5. Proposals and Tender Evaluation**

### **5.1 Proposals**

The tender should include:

- Detailed description of the proposed primary and secondary research methodology/ies including data sources.
- Detailed breakdown of prices (according to the research phases).
- Reference list and examples (if applicable).
- Topics covered in the questionnaires / interviews.
- Detailed structure of the final study. Reference to similar studies (if applicable).
- Detailed timeline for the completion of the study.
- Statement of financial viability.
- The CV of the people involved in the project.

The provision of detailed information is considered a plus.

Proposals should be submitted in electronic format, not exceeding 20 pages, to the persons listed below by **Wednesday, 31 May 2017 (EoB) at the latest:**

Project leader:

**Ms Jennifer Iduh**, ETC Executive Unit, Brussels: [jennifer.iduh@visiteurope.com](mailto:jennifer.iduh@visiteurope.com)

Representative of the commissioning body:

**Mr. Eduardo Santander**, ETC Executive Unit, Brussels: [eduardo.santander@visiteurope.com](mailto:eduardo.santander@visiteurope.com)

**Mr. John Kester**, UNWTO, Madrid: [jkester@unwto.org](mailto:jkester@unwto.org)

### **5.2 Tender Evaluation**

The contract will be awarded on the basis of the consultant's proven ability to deliver on the stated objectives. The selection criteria used will include, inter alia:

- The relevant experience of the project team, with an emphasis on know-how in the relevant markets, research methodologies and strategic consultation.
- The approach to collect primary research data and preliminary sources of secondary data.
- The level of innovation and creativity brought to the project, the methodology and its solution.
- The most economically advantageous project, i.e. the project that offers the best value for money.

ETC and UNWTO reserves the right to decline from all tenders.

## **6. Miscellaneous**

Please note that ETC and UNWTO will be the exclusive owner of the deliverables, and is free to decide on their use. ETC and UNWTO expect the consultant(s) to respect copyrights and obtain permissions to publish third party case studies including logos, statements, images, etc. and vest them to ETC and UNWTO for reproduction.

Brussels, 11 May 2017

### **ETC Executive Unit, Brussels**

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*Executive Director*

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### **UNWTO Headquarters, Madrid**

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