



HORIZON
2022

TO BOLDLY GO WHERE DESTINATION
EUROPE HAS NEVER GONE BEFORE

EUROPEAN
TRAVEL
COMMISSION

CONTENTS

Five road signs that change is needed	03
Five strategic objectives	06
Our roadmap to change	07
Conclusion	12
Appendix	13

A DECLARATION OF INTERDEPENDENCE

The Horizon 2022 strategy is a bold move and a necessary one. This plan aims to secure regional dispersion and to create sustainable growth, not just for tourism but for all sectors in Europe.

The tourism industry offers a range of jobs appropriate for workers of all skill levels. This diverse employment is important to understand politically, especially in times of economic crisis, and it is our task as CEO's of European destinations to make this clear to the public opinion and our political leaders. Sustainable Economic growth is one of the Sustainable Development Goals of the United Nations for which tourism leaders need to take responsibility for.

We welcome a new era, where the travel industry globally claims its rightful position as one of the fastest growing sectors in the world. Every destination needs to consider the long-term implications of tourism in order to ensure that the right balance is achieved between economic growth, environmental impact and social value. Tourism growth can test the boundaries of the environment and the quality of life for the people who live in popular tourism destinations.

To face these challenges, we see this plan as a declaration of interdependence. In an interdependent relationship, participants may be socially, economically and ecologically reliant on and responsible to each other. We are interdependent as we all will benefit from and contribute to a stronger value proposition for Europe. We are interdependent as we can not create value for visitors as it does not equally create value for residents. We are interdependent as we need to take sustainability seriously as a third-party in every action we do. We are interdependent as we are all connected by digital communication and geographical borders lose their relevance on the Internet. We are interdependent as members of the European Travel Commission (ETC) that have to reach out to other partners. We are bound for more collaboration and co-creation so that ETC can finally act as the DMO of Europe.

This new strategy aims to create a common ground between our national aspirations and the ones of other sectors in Europe. It starts from the visitor perspective, rather than the destination. Although we continuously need to invest in our quality of place, potential visitors will not respond if we do not relate to them and their passions. We will stop acting on the long-haul markets as a siloed destination. Therefore, we need to change the direction of our marketing: from a vertical, geographical approach to a horizontal, thematic one. Europe can not afford to treat tourism as an isolated industry bubble of national leisure experts. With Horizon 2022 we embark on a journey to boldly go where Destination Europe has never gone before.

Peter De Wilde
President
European Travel Commission

FIVE ROAD SIGNS THAT CHANGE IS NEEDED

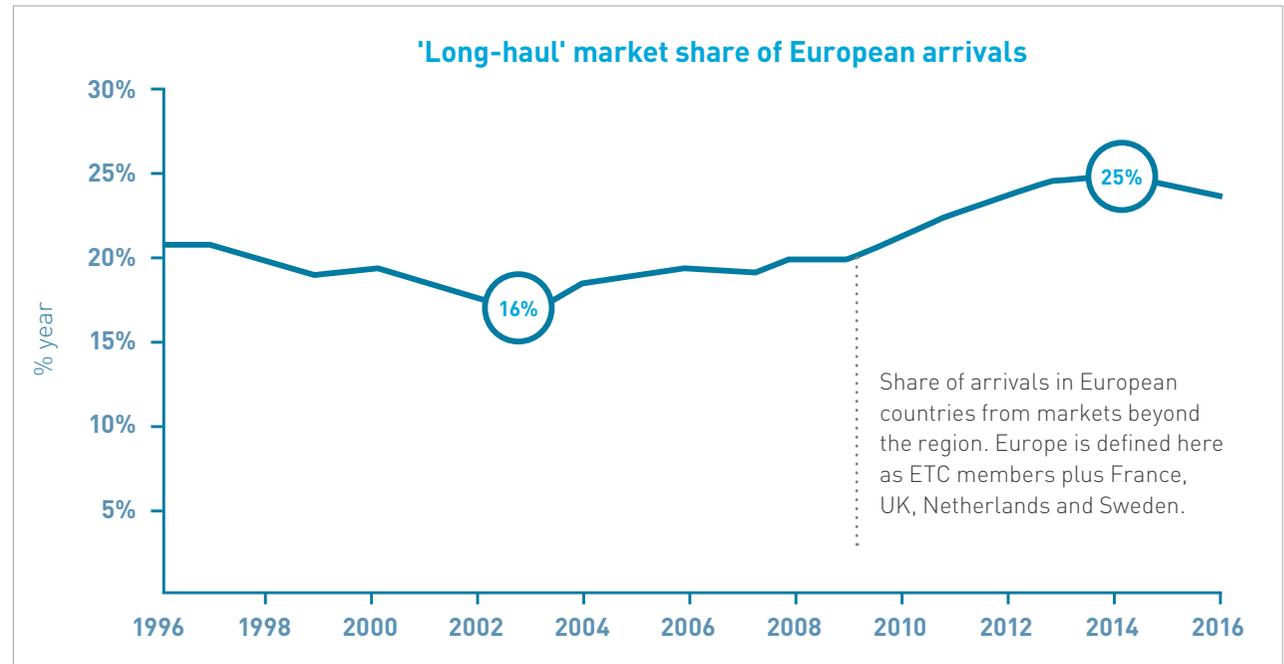
THE PARADOX OF LONG-HAUL FOR EUROPE

Tourism will grow for the next twenty years. The share of long-haul arrivals for European destinations becomes more and more important in that growth.

However, a loss of market share is predicted for Europe by all research sources analysed.

The expressed ambition is to increase Europe's market share. We need to be persistent and walk our talk. The predicted loss of market share on the long-haul markets is something we need to anticipate and address.

ETC's vision is that the European tourism industry will get more actively involved in the marketing, branding and promotion of Europe collectively as a destination, contributing to the increase of visitor numbers from key target markets and Europe's share in global tourism.



source: ETC, Tourism Economics, 2016

Passenger Aircraft Fleet Growth 2016-2035 (Source: IATA)

Region	2016	2035	Change	Share 2016	Share 2035	20-year new deliveries
Asia / Pacific	5,659	14,685	159%	31%	39%	13,239
Europe	4,228	7,791	84%	23%	21%	6,508
North America	4,296	6,239	45%	24%	17%	5,579
World	18,019	37,708	109%			32,428

source: ETC, European Tourism Competitiveness Report, 2017

OUR COMPETITORS HAVE MORE IMPACT

Our competitors have bigger resources for destination marketing than us.

But even more so: they have a bigger impact as they are able to create leverage for their partners and run ambitious programs that attract partnerships outside tourism. Why does Europe not have a similar ambition?

Including States and Territories

	NTO	STOs	Total
US	\$164m (100% intl)	\$874m	\$1,011m
Australia	\$158m (100% intl)	\$575m	\$728m
Canada	\$95m	\$392m	\$487m
Europe*	€0.5m	€492m	€492m (80m intl)

**ETC members only*

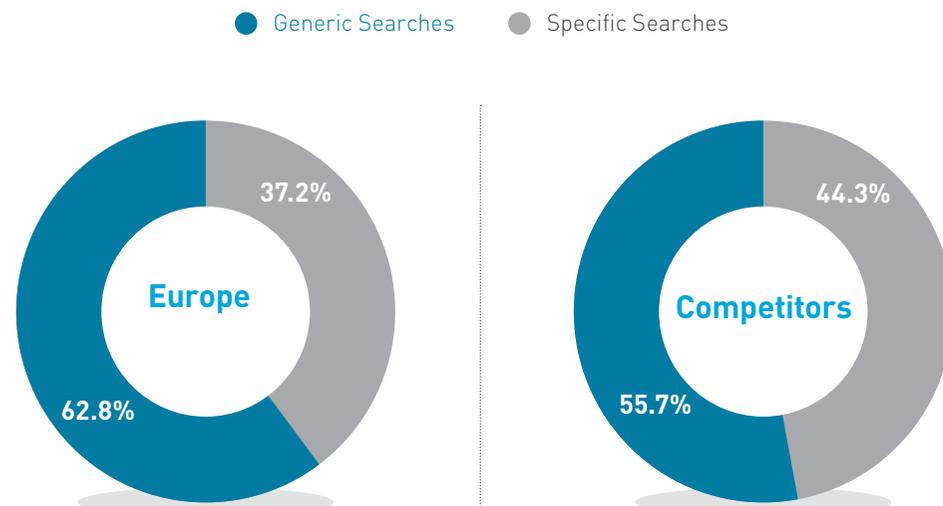
Note: Figures gathered from different years and sources

WE HAVE AN APPEAL THAT IS TOO GENERIC

All research speaks of the rise of boutique destinations and niche travel, but digital research shows that Europe generates more generic searches than its competitors. Generic implies that Europe has the most undifferentiated image. Why are we not making it clear what Europe stands for? Our country-based, geographic targeting implies a paradox: incorporating all geographic targets for each NTO to represent them is not in their best interest. The conflict of interest leads to compromising choices and creates generic messages, which exacerbates the challenge.

62,8% of all searches related to tourism for Europe come from new visitors. This means less retention and brand loyalty. This could be an indicator of volume driven promotion rather than a long-term tailor made strategy to attract the right people. We have to reflect on the kind of marketing we are doing.

Specific Versus Generic Searches For Europe and Their Competitors

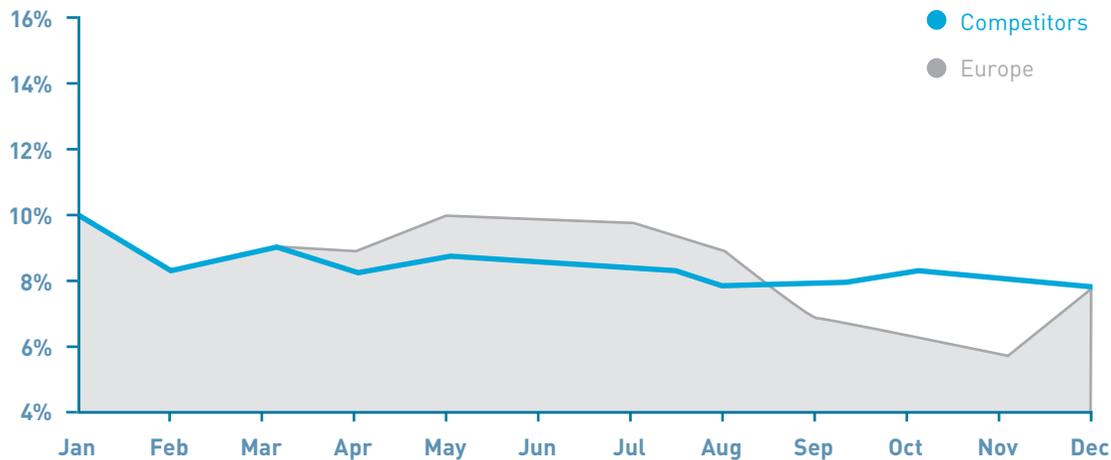


source: ETC, Bloom Consulting, 2015

WE ARE UNDER THE THREAT OF MASS TOURISM

Digital research indicates that the challenge with seasonality, and as a consequence the threat of mass tourism, is bigger than in competing regions around the world. This observation is reinforced by growing negative sentiment of citizens throughout Europe. If we compare online search volumes of Europe with the competitive set, we can conclude that interest in Destination Europe is less stable and more seasonal compared with our competitors. This leads to over tourism in peak periods and limits growth potential in the low season.

Competitors have a more stable seasonality than Destination Europe



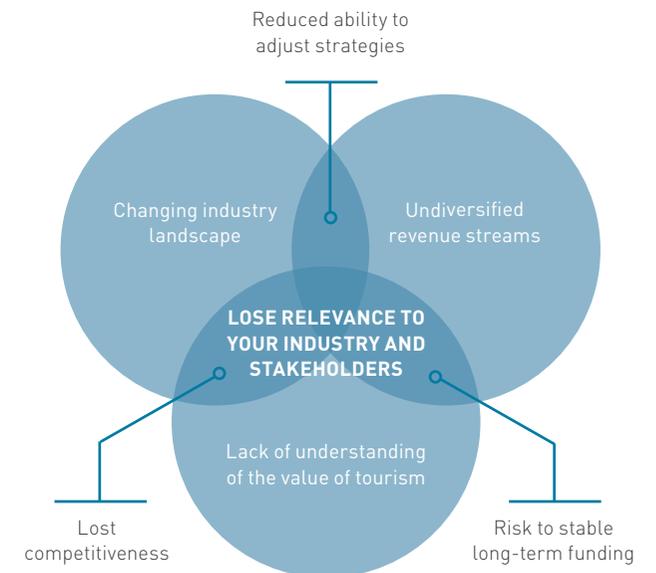
source: Bloom Consulting, 2015

THE LOSS OF RELEVANCE

Brand Europe does not have the same impact as some of our competitors. But there are other threats that are as relevant for ETC as they are for each NTO:

- A lack of diversified revenue streams within an unstable political landscape;
- A lack of understanding of the value of tourism;
- A changing industry landscape: this may include geopolitical, economic or destination management changes.

Destination Europe should answer these challenges and lead by example. If not, this will impact not only the organisation but also the reputation of tourism in Europe as a whole.



FIVE STRATEGIC OBJECTIVES

Based on the five road signs, we have developed five strategic objectives that will guide this strategy.

CHANGE OUR MARKETING APPROACH

ETC will leverage brand Europe as the sum of all stories told.

We change the direction of our marketing and shift from vertical marketing (geographical, generic) to horizontal (thematic). Horizontal means that the product and experience comes first. They are the main drivers to connect with people's passions. If a connection to passions is established it results in places that prioritise and focus on product and experience. Hence, the brand Europe will be made of out of stories of all possible experiences instead of the sum of its capital cities or landmarks.

CHANGE OUR SEGMENTATION

ETC will reach out to passion groups.

Passion comes first, destination second. For Destination Europe, organising our marketing around geography is not an option anymore. We therefore change from a geographic based segmentation, to a cross-border passion based segmentation, bundled in specific themes. These markets are still sizable but better aligned with the specifics Europe has to offer and easier to connect with at an emotional level.

CHANGE OUR RESEARCH

ETC will redefine research and put passions first.

Macroeconomics remains important but marketing needs to explore individual behaviour. What do people really care about? Giving visitors a memorable experience gives them something to tell their friends about. Knowledge of a passionate community serves as the basis for identifying challenges and opportunities in product experiences.

CHANGE OUR BUDGET

ETC members contribute to marketing that leverages funding of external partners.

The tourism industry is projected to be the only industry to grow, 4% growth is expected in the world (WTTC, Travel & Tourism Global Economic Impact 2017) and 2.4% in Europe, and should be properly supported. Benchmarks from our competitive set teach us that to be taken seriously by global partners a substantial budget is needed. It is the only way to foster a cumulative effect. A strong value proposition is needed to get more partners involved.

CHANGE OUR PARTNERSHIPS

ETC develops a platform that attracts other NTO's, cities, regions and private partners.

ETC members joined forces for economy of scale. In a globalised world we need to upscale that economic advantage. We will create platforms members can build on and contribute to in a way that fits their own DNA (i.e. the identity of their destination, the product experiences that define them) while becoming open and attractive for new partnerships, under guidance and stewardship from ETC members.

OUR ROADMAP TO CHANGE

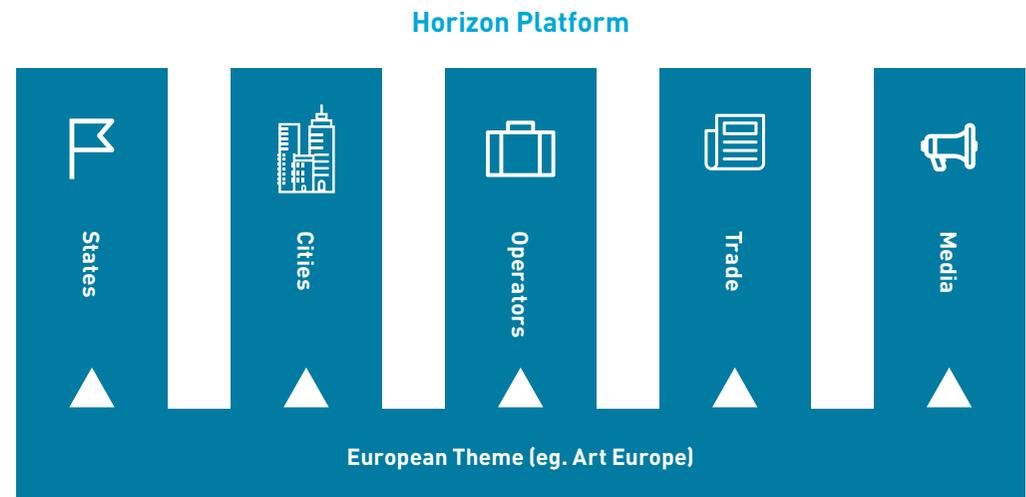
The strategic objectives lead to a new way of marketing Europe based on product and experience themes that align with consumer passion groups. The following section details the principle operations of this new approach.

THEMES

- Relevant themes with a **critical mass** are identified and connected to Europe's unique selling propositions. To achieve critical mass we need a minimum number of members and a minimum number of potential, third parties that want to become partners for theme activities. Detecting and creating themes includes a **bottom-up** process that takes current initiatives into account.
- The theme aligns with Europe's **DNA** and creates strong brand associations for Europe with local economic potential. Only themes that appeal to passionate communities in overseas markets are relevant.
- The decision should be objective, based on a scoring system drawn from a **set of criteria**. Certain criteria could differ from theme to theme. Our advice is that the following criteria should be used:
 - Alignment with Europe's DNA (DNA research, excluding non-DNA themes).
 - Strong brand associations for Europe with local economic potential (sentiment, expenditure, social capital, relevance).

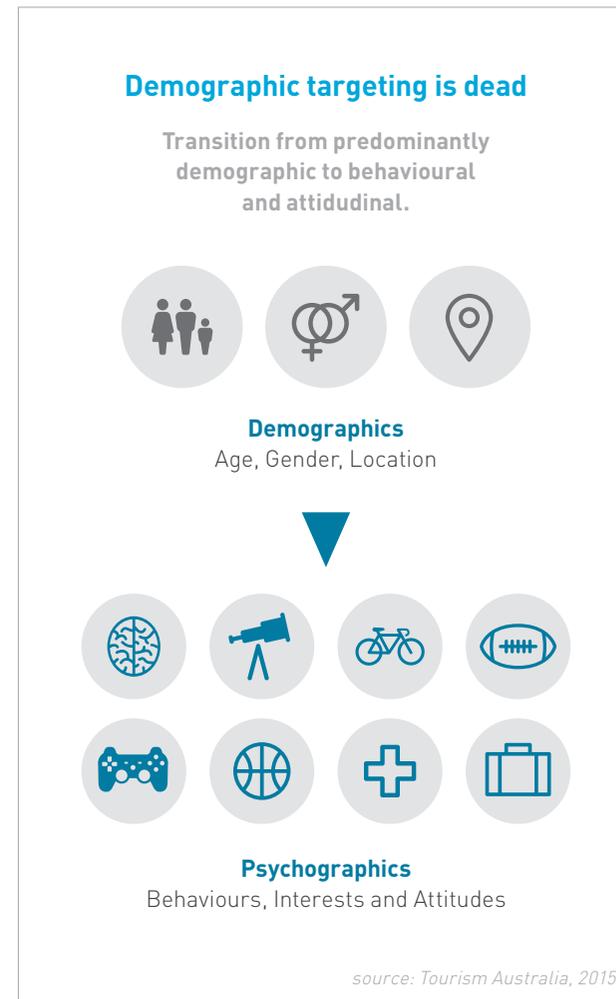
- Passionate communities associated with the theme are viable and relevant (passion research).
- Appeal to overseas markets (netnographic).
- A minimum number of members express interest in the theme.
- A minimum number of potential, non-member parties want to become partners for theme activities.
- Contribution to the quality of life for European residents by enhancing quality of services (Net Promoter Score of residents, industry-assessment, resident-survey).
- Spreading and managing experiences, so visitors are dispersed to a larger area (Net Promoter Score, capacity, sentiment).
- Includes existing local opportunities, including celebrations, anniversaries and festivals.

- These themes will serve as a **platform** for a global initiative that supports individual members and partners in promoting Europe and moving the brand forward in a competitive way. A platform means leverage: the bigger it is, the more it will attract other partners: cities, regions, other NTOs, commercial partners, tourism industry and partners outside tourism. It is the foundation NTOs can build on.
- Beyond these broad themes, tangible **sub-themes** can be identified that are specific and relevant to individual countries while connecting with consumers in relevant passionate communities.
- The theme contributes to the quality of life for European **residents** by enhancing quality of services. The theme supports spreading and managing experiences, so visitors are dispersed to a larger area.



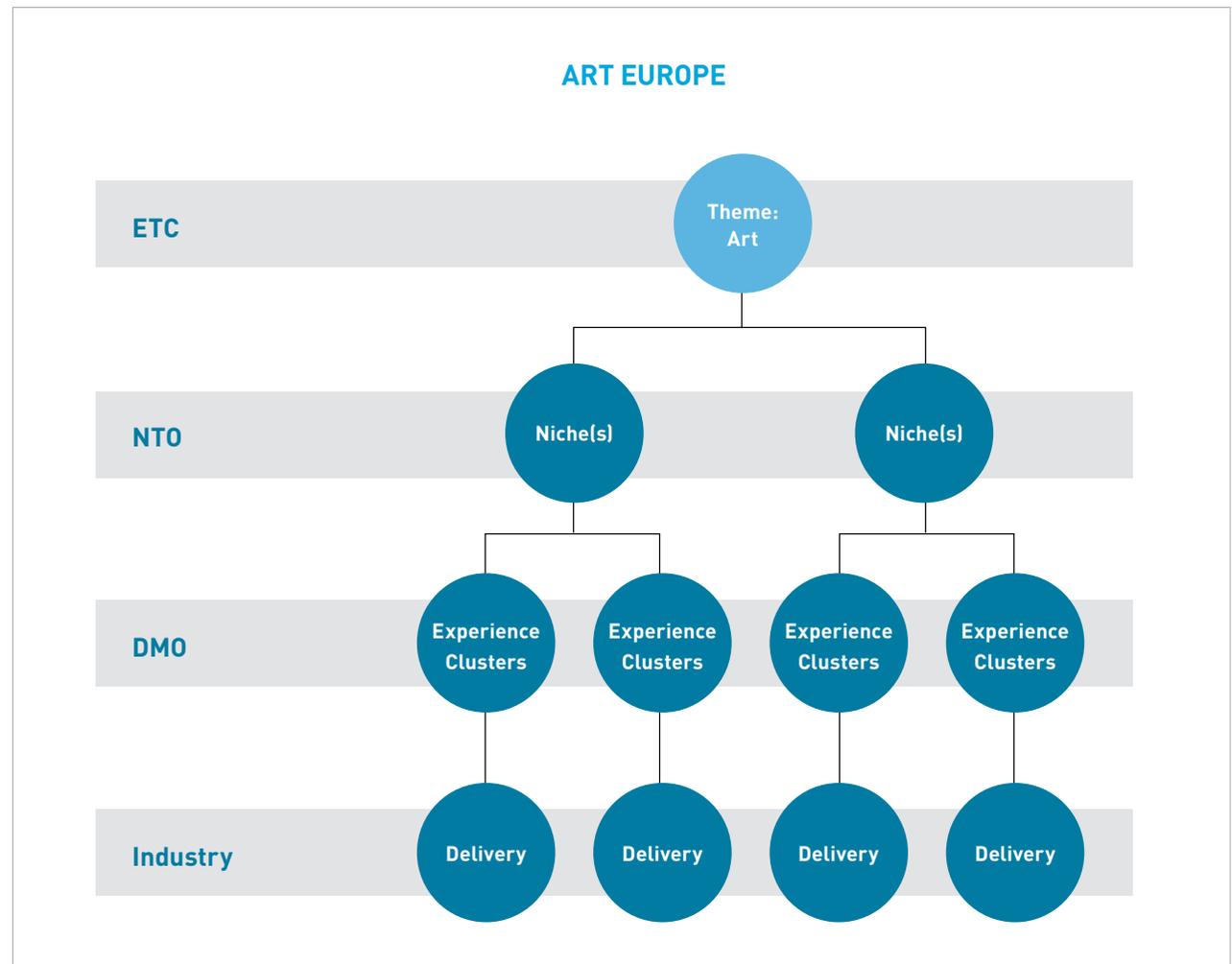
RESEARCH

- **Passion first, destination second.** Horizontal marketing, the reason behind the project name: "Horizon 2022", means that product and experience come first. They are the main drivers to connect with people's passions and if connection is established they look to the places that are related to this. This requires another type of segmentation. From a research perspective, this means that we need to fully understand a passionate community before overlaying geographic market research.
- **Passion research** should draw the portrait of a community and at least be able to answer questions such as:
 - Who travels for this passion?
 - What is the size and economic value?
 - What are the bragging rights and community values?
 - What are the conversational topics?
 - What makes someone influential?
 - Are there different levels of passion?
 - What are the rituals? customs? habits? jargon? slang?
 - How does Europe fit?
- Market research should continue to support broader subjects related to **Europe's brand**. Specific thematic research needs to be included in the process flow soon after picking a theme.
- Once a theme is selected, the team can start necessary research: product **mapping**, measuring the end to end journey, and, after that, refine sub-themes.
- The next stage is to improve the European experience by detecting gaps, clustering opportunities and creating **transnational** experiences and events.



RESPONSIBILITIES & ROLES

- How does this work on a **macro-level**? As an example, imagine a theme that encompasses and defines Europe as an art destination, **ART EUROPE**. This theme only makes sense if it has been planned thoughtfully and carefully in a multi-year calendar so that destinations, regions, cities can prepare themselves in advance and contribute. Broad themes should be chosen on a European level and niches and experiences at a local one.
- How does this work on a **micro-level**?
 - In the new model, there will ideally be multiple themes operating simultaneously in different stages of their project life-cycles
The **ETC marketing group's role is leading the process**, plans and implementation of each project.
- Research comes first. The different NTOs will have specialised researchers that can help to prepare a theme. The **ETC research group** can play an important role, its role will become more active and the kind of research needed will change.



PROCESS

Each theme will be outlined using the following process:

Create a strategic plan for each theme.

- Basic groundwork;
- Inventory of experiences/detecting gaps/clustering;
- Passion research;
- Target groups/ overseas markets;
- Messaging.

Partnership model.

- Agreement on criteria for ETC members, non-members and commercial participation;
- Service package;
- Pricing.

Content development.

- Only the best tourism content featuring text, images and film;
- Selection of the best content from participating members, not ETC alone;
- Focus on curation, advocacy and user-generated content;
- Sentiment as the most prominent key performance indicator (KPI) for a theme.

Promotional concept.

- Identification of suitable channels;
- Digital focus;
- Campaign.

Execution.

- Targeted digital marketing focused on thematic groups;
- Monitoring and reporting the outcome.

TIMELINE

- Before a theme is launched to consumers, approximately **three years of planning** will be required. This time is needed to research the theme, put a project team together, find partners and plan the initiatives.
- It must be clear that **announcing a theme** first and doing research second is a deliberate decision. As described before, a bottom-up approach is the overall recommendation. Partners who are already working together can pitch their ideas. When the number of participants for a theme reaches a critical mass, the team can scan the feasibility by applying the criteria.
- The next stage is to improve products by creating (transnational) experiences and events. The **public announcement** should not be earlier than two years before the launch of a theme, so momentum can be maintained.

SUCCESS

Traditional metrics, such as traditional market share, might not be appropriate anymore, as it is relative to global trends (i.e. the growth of tourism in Asia). With the thematic approach, a better measure is market share specific to a passionate community. As a whole we want to achieve the following goals and key performance indicators (KPIs) for Destination Europe:

KPI	Assessment
Increase brand association of Europe with the theme and sub-themes.	awareness, perception, online searches
Increase market share of Europe within key passion groups.	% market share, loyalty, number of new versus repeat visits, intention to travel-LHTSI ¹
Increase dispersal (place and time) of tourism flows in Europe.	length of stay, volume/region
Increase dispersal of economic value of tourism in Europe.	expenditure/receipts, tourism contribution to GDP, jobs
Increase visitors' satisfaction with their passion experience in Europe.	NPS ² visitors
Improve residents' perception towards tourism.	NPS of locals

In the planning phase, the project team will need to establish the specific **metrics for each theme**.

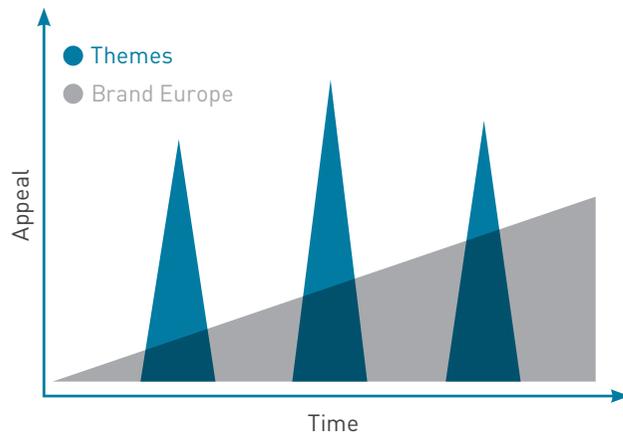
[1] ETC's Long-haul Travel Sentiment Index (LHTSI)

[2] Net Promoter Score (NPS) is an index ranging from -100 to 100 that measures the willingness of customers to recommend a products or services (in this case a travel destination) to others.

CONCLUSION

The ETC was founded on the basis of shared interests. It pools these interests and develops services and activities that create economies of scale.

Anno 2018, a one-size-fits-all approach to marketing prevents us from creating more value. No geographic market has ever consisted of a single homogeneous target group. As a result, the ETC has an obligation to identify its target groups according to their motivations and interests and engage them separately through themes.



With this strategy we are able to generate overall benefit from one part and -by doing this- start the contribution towards a whole (Europe). This is more valuable for everyone. And it is the logical next step in this new era of destination marketing. The new strategy will create a win-win-win situation as depicted in the graphic.

This graphic is about a stronger value proposition. It explains the correlation between the impact of working with big themes and the growth of Europe's brand appeal. We are starting to build on brand Europe and its identity. The more European destinations are associated with specific brand assets and attributes, the greater the awareness overseas. We are all brand interdependent. NTOs will benefit by being the intersection of Europe's brand. This is an outstanding mechanism to attract tourists based on qualities and an excellent way of spreading tourism across the European continent throughout the year. More than anything, this strategy is about quality of place, quality for our citizens, their jobs, their local culture and heritage. With this strategy we can achieve a responsible tourism growth in which the benefits are in balance with the costs. This strategy is not only the future for Destination Europe, but also the future for Europeans whose attitude towards tourism we want to keep positive. The Horizon 2022 is not only an ambitious plan; it is a necessary plan.

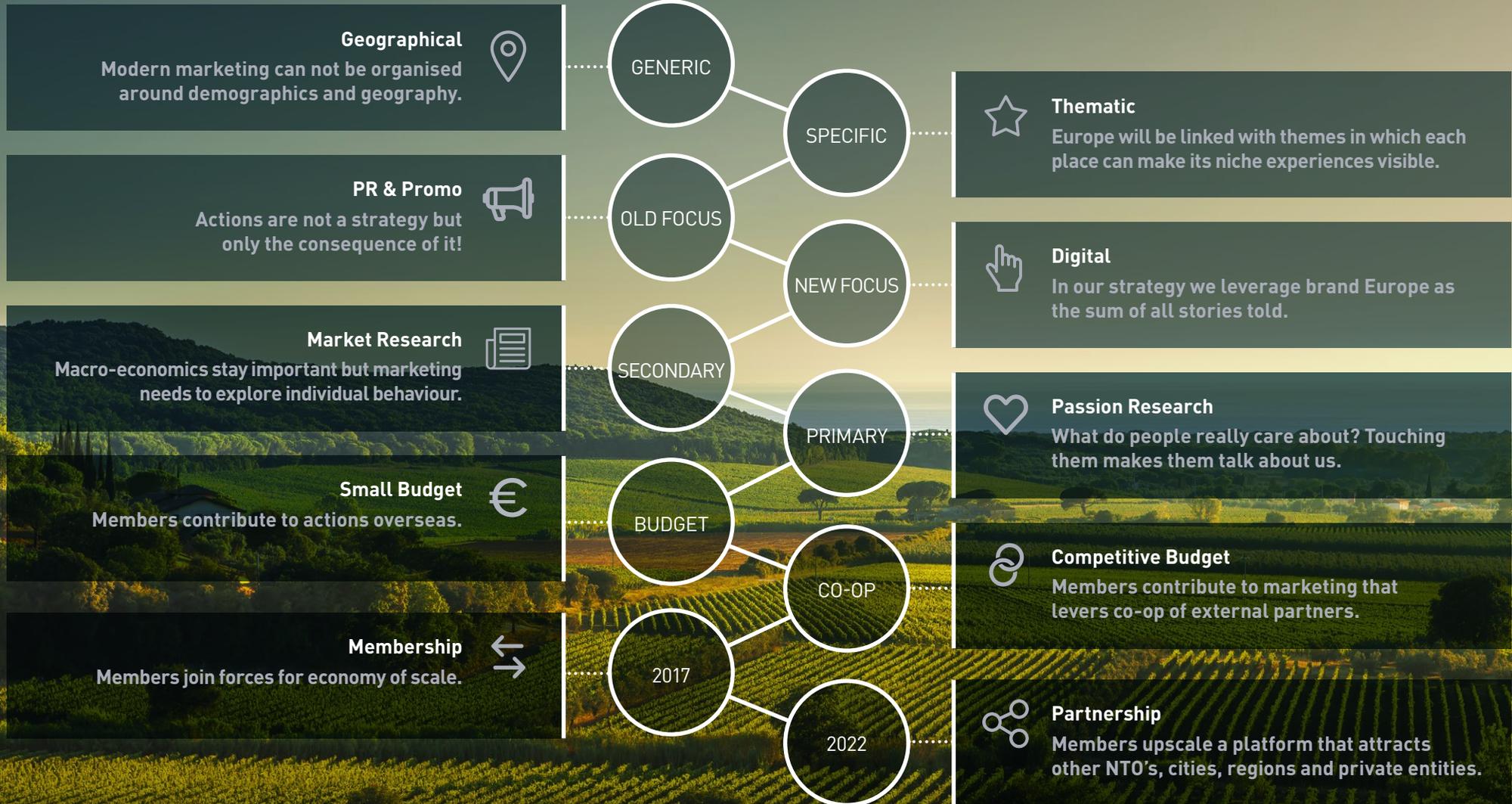
Horizon 2022 is an ambitious strategy, because it stands for a big increase in marketing funds, people and commitment to work for European tourism.

We trust that the European Union recognises the importance of tourism as one of the fastest growing industries in the continent and will co-invest in this plan. We are hopeful to obtain project-based funding to proceed in our thematic approach. By broadening our approach to themes that are related to other fields of expertise we can attract new partners from the public and private industry.

Horizon 2022 comes at the right time to deal with all new challenges. It is more than a strategy. It is a necessity.

A NEW STRATEGY

What needs to be true in 2022 to be so impactful that we regain marketshare for the tourism industry in Europe. Destination Europe needs a radical new type of marketing to create more leverage.



Destination Europe makes the shift from partial impact to high impact by replacing a vertical strategy by a horizontal one.