VISA

GLOBAL TRAVEL

Intentions Study 2013

The Visa Global Travel Intentions Survey 2013 was commissioned by Visa to Millward Brown. The survey was conducted with 12,631 travellers* aged 18 years and above, across 25 countries/regions.

Definition of New travellers

Age of first travel falls within the same age bracket as current age.

Regional definition

(surveyed countries/regions include)

Asia Pacific (APAC) (Australia, Hong Kong, India, Indonesia, Japan, Korea, Mainland China, Malaysia, Singapore, Taiwan, Thailand)

Europe (France, Germany, Russia, United Kingdom)

Africa and the Middle East (Egypt, Kuwait, Morocco, Saudi Arabia, South Africa, United Arab Emirates)

The Americas (Brazil, Canada, Mexico, United States)

Definition of Advanced & Emerging Economies

Countries/regions listed under 'Advanced' or 'Emerging' economies is based on the list of 35 Advanced Economies from IMF's World Economic Report dated October 2012.

Fieldwork methodology

Combination of web-based and face-to-face interviews.

Affluent definition

Respondents who fell into the income brackets listed in the last page of this report were listed as 'Affluent'. The definition complies with the minimum income requirements for ownership of Visa premium cards.

FOREWORD

Elizabeth Buse, *Group President, Asia Pacific, Central Europe, Middle East and Africa, at Visa Inc.*

The impact of travel and tourism on economic growth is significant. The industry is forecast to grow at an average of four percent annually over the next 10 years and in 2012 alone, it contributed to nine percent of global GDP. 2012 was also a landmark year for international tourism as the number of international trips taken in one year surpassed the one billion mark for the first time. This all presents exciting opportunities for players in one of the world's largest industries.

At Visa, we recognize the enormous potential of this industry to promote economic growth in developed and emerging economies alike. Tourism provides a gateway to economic progress by helping grow revenue, promote job creation, and accelerate infrastructure development. And, thanks to the increased acceptance of reliable and secure electronic payments, every traveler who uses a card to pay or buys good and services online is now exponentially contributing to growth.

So how should we seek to maximize growth potential from travel and tourism? And how should governments think about building strategies which optimize inbound tourism spend?

Data helps and that is the subject of this report. The Visa Global Travel Intentions Study has been regularly updated and published since 2006 and aims at analyzing tourism spend across multiple countries/regions for the benefit of industry players, including governments. Understanding how, where and why cross-border spend takes place is as important as ever. I hope the findings in this year's study will prove as useful as they have in previous years in encouraging discussion, promoting cross-sector engagement and ultimately ensuring the industry continues its high level of growth.

I hope this year's study will help you gain a better understanding of:

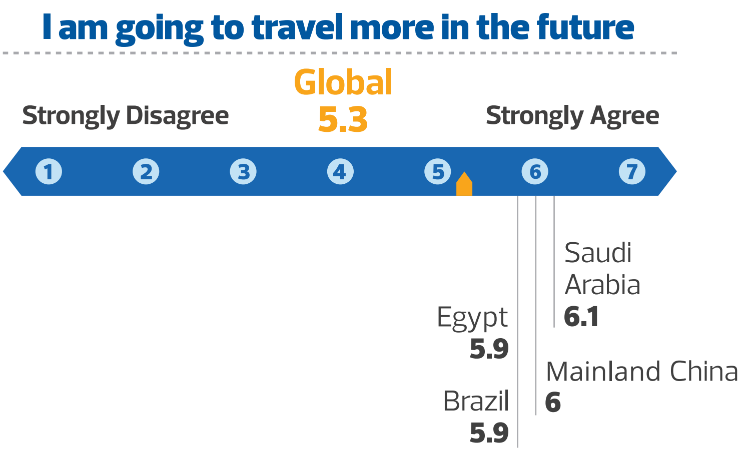
1. Current and future travel trends
2. The profile of today's typical traveller
3. Habits of the affluent traveller
4. The different choices made by first time travellers
5. The impact of technology on travel
6. Travel payment methods and patterns

TRAVEL CONTINUES TO FLOURISH, FUELLED BY TRAVELLERS FROM EMERGING MARKETS

Outlook for travel is optimistic: travel and budgets are set to increase

Despite the climate of continued economic uncertainty and a relatively weak global economy, it is expected that leisure travel will continue to grow in 2013 with increasingly positive sentiments regarding intended future travel.

The emerging economies look likely to fuel this growth, particularly from giants such as Saudi Arabia, Mainland China, Brazil and Egypt. While much of the population from these markets have yet to experience their first holiday, the intention to travel is high.



With this comes an **increased willingness to spend** as budget is now less of a concern in destination choice than it has been in the past.

Top 3 reasons for destination choice

Last Trip		Future	
34%	Good weather	31%	Attractions
31%	Fit my budget	31%	Good scenery
29%	Rich culture	30%	Rich culture

Strong growth in spend

Today's typical traveller spent an average of US$2,390 on their last trip. This spend is expected to grow by 5% to US$2,501 for their next trip.

While Australian travellers are among the top spenders on the global stage, travel budgets of those from the emerging markets are also high with two of the top three spenders hailing from the emerging markets, namely Saudi Arabia (US$6,666) and Mainland China (US$3,824).

Current	Future
$2390	**$2501**
Unit: Median	Unit: Median
Base: (12072)	Base: (9317)

Did you know?

The biggest growth in budgets is expected to come from the current low-spending travellers from Hong Kong, UK, and Thailand, with projected increases of between 92% to 94%.

Top 5 spenders

	Saudi Arabia	Australia	Mainland China	Brazil	South Africa
Last trip:	**$6666** (484)	**$4118** (450)	**$3824** (422)	**$2956** (309)	**$2888** (214)
Future spend % change:	**-17%**	**9%**	**18%**	**52%**	**-13%**

Bottom 5 spenders

	Indonesia	Malaysia	Hong Kong	UK	Thailand
Last trip:	**$1198** (339)	**$1145** (366)	**$1290** (446)	**$1297** (406)	**$1304** (366)
Future spend % change:	**25%**	**31%**	**94%**	**93%**	**92%**

AMERICA TOP CHOICE, BUT REGIONAL TRAVEL DOMINATES

Number of trips taken in the past 2 years

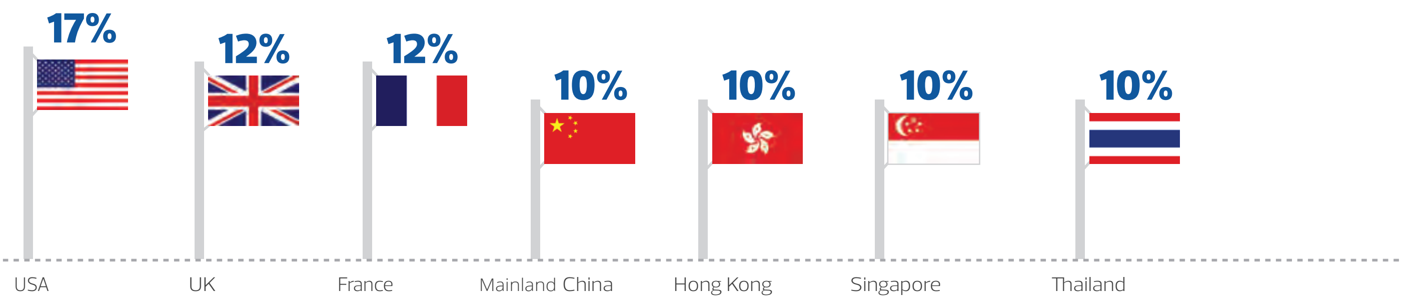
Today's typical travellers took an average of three leisure trips in the past two years.

Travellers from advanced economies are particularly well travelled, with Europeans travelling at least one trip a year.

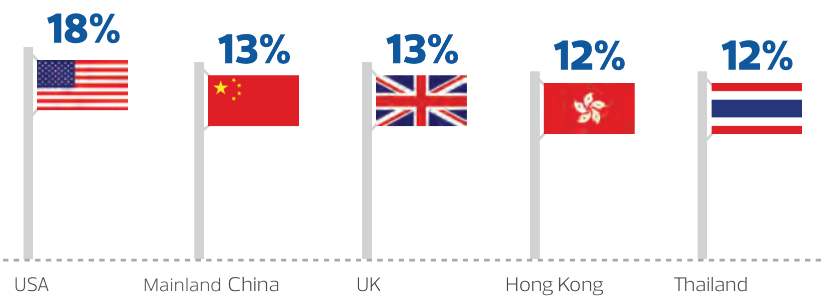
The USA is still the top destination choice but most trips are taken regionally

When it comes to choosing a destination, the USA remained the most popular choice among travellers worldwide, followed by the UK and France. However, the popularity of Asian countries/regions is on the rise – Mainland China, Hong Kong, Singapore and Thailand also proving to be popular destinations.

Most visited destinations in 2012



Most visited destinations in 2011

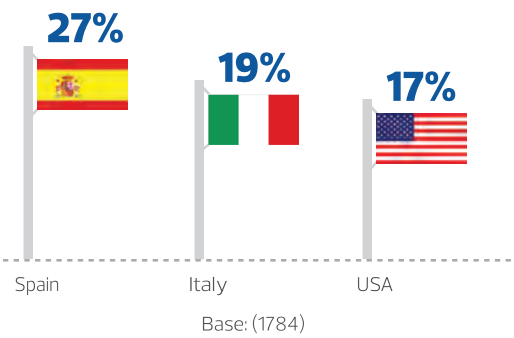


Did you know?
Singaporeans love to travel, taking up to five trips in the past two years.

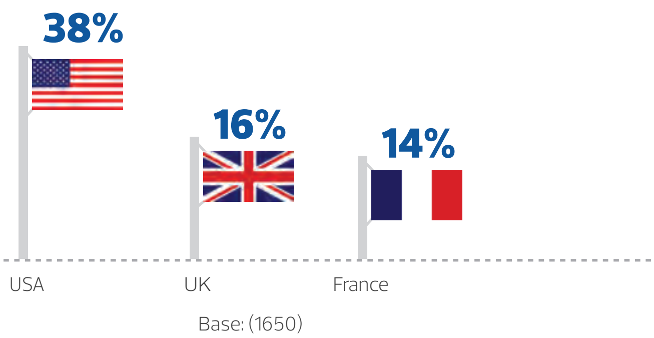
Despite this, globally, the most common destination choices were still regional, especially for travellers from APAC and Europe.

Top 3 destinations by travellers from each region in the past two years

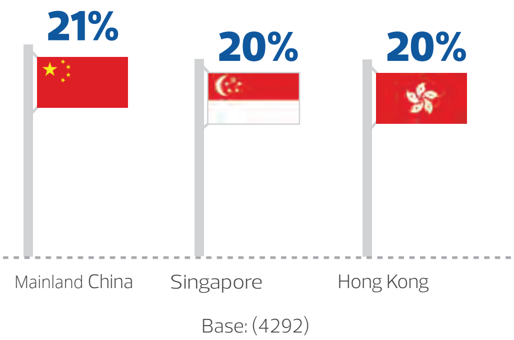
Travellers from Europe



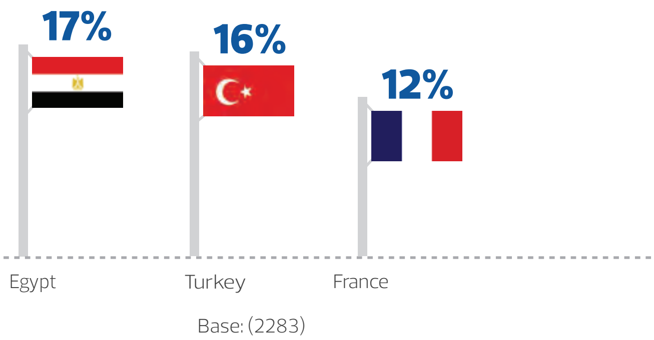
Travellers from Americas



Travellers from Asia Pacific



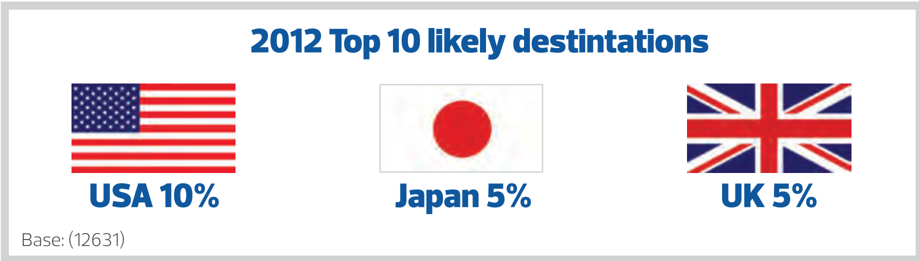
Travellers from Africa and the Middle East



THE DREAM TO EXPLORE UNCHARTED HORIZONS

Top future destinations globally

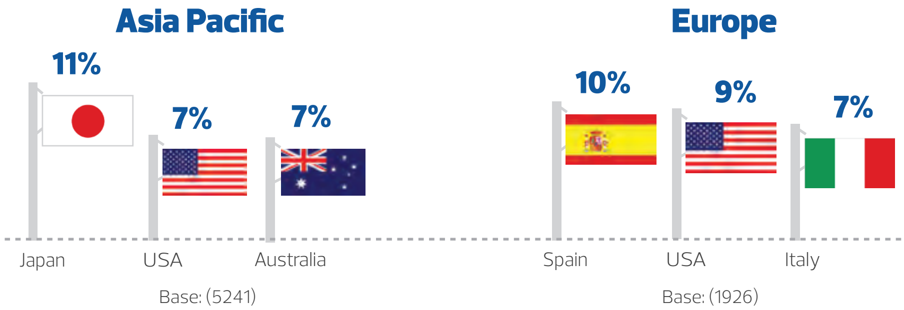
Intend to travel in the next 1 year*

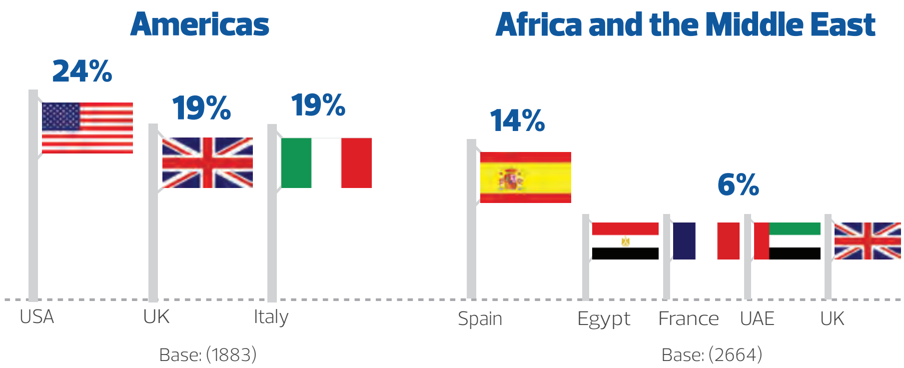


Travellers around the world feel differently about exploring horizons beyond their home continent

Intended future travel destinations differ amongst travellers from different regions.

Travellers from Asia Pacific and the USA are more likely to venture outside their continents, while those from Europe and Africa and the Middle East prefer to take trips within them.





Did you know?

Seasoned travellers from Europe as well as affluent travellers show more interest in exploring the new horizons of East Africa, whilst first time travellers and those from emerging economies need some more time to warm up to the idea.

The allure of East Africa

The uncharted territories of East Africa are increasingly drawing the attention of future travellers. Despite safety and health issues, which were cited as top concerns for the region, the attraction of safaris, ecotourism and a rich cultural experience are key magnets for tourists.

Top 3 activities respondents will consider in Kenya, Rwanda and Tanzania

	Kenya	Rwanda	Tanzania
Safari	66%	40%	51%
Ecotourism and culture tours	52%	46%	47%
Animal trekking	52%	38%	42%
	Base: (9721)	Base: (11514)	Base: (10457)

Top 3 concerns with visiting Kenya, Rwanda and Tanzania

	Kenya	Rwanda	Tanzania
Safety reasons	47%	49%	43%
Never considered it	36%	39%	39%
Health concerns	32%	28%	26%
	Base: (9721)	Base: (11514)	Base: (10457)

HOW TRAVEL PATTERNS DIFFER ACROSS REGIONS

Who they travel with differs across regions

Where people go, how long they stay, and who they travel with differs widely across the globe.

Travel with **Travel by** **Stay for** **Stay at**

People don't like to travel alone, with 80 percent of respondents choosing to travel with family members or friends. First-timers are particularly likely to travel with their friends.

Air travel is by far the most common transportation used when making a trip. Budget airlines are the second most popular class after economy.

Most journeys take less than four hours. People from the USA and Australia are the most likely to travel long-haul, whilst those travelling from APAC are more likely to travel short-haul. First-timers are also more likely to take short-haul trips.

When taking these trips, luxury hotels of four stars and above are the preferred accommodation for most travellers.

Although independent booking dominates, travel agents are still valued

While 70% of travellers book their trips independently, the need for travel agents still exists, particularly in emerging markets where people are more willing to pay for a third party agent to plan their trips.

	Global	APAC	AME	Europe
Average number of nights at destination	10	7	15	11
Packaged or Guided tours	30%	35%	29%	25%
Won't mind paying more for someone to arrange my holidays	38%	36%	55%	29%

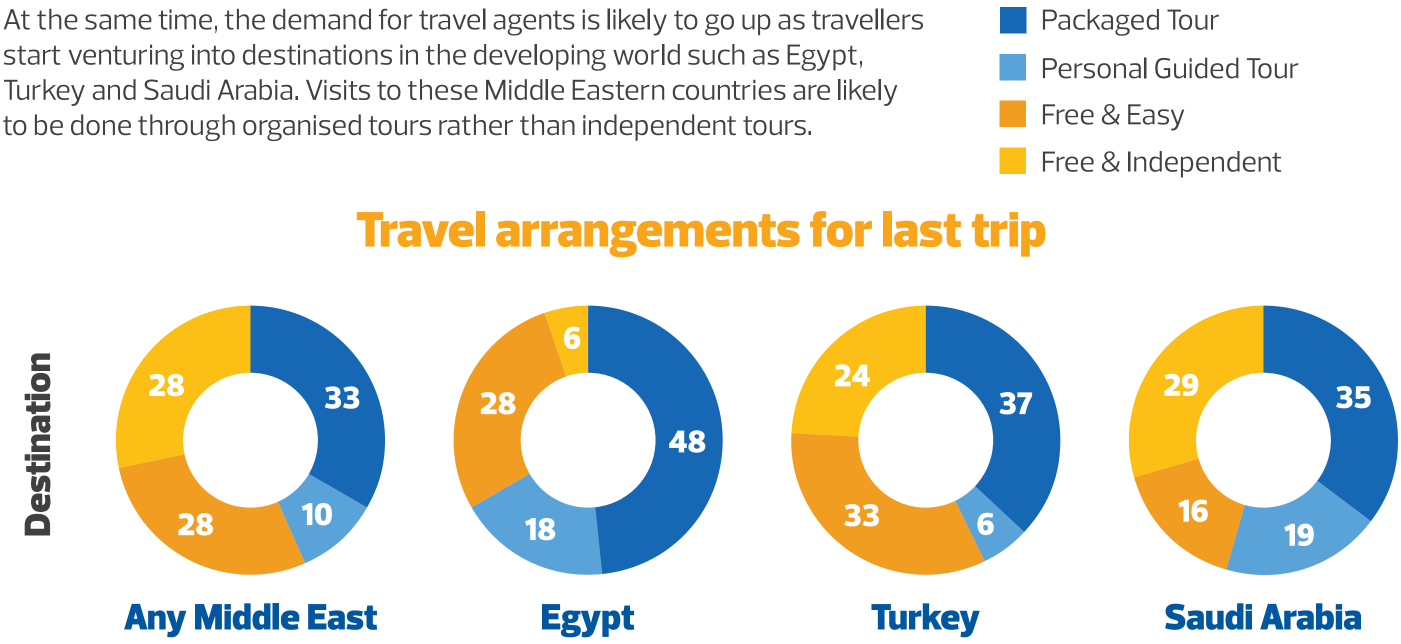
APAC tourists tend to make use of long weekends to take city-breaks around their regions. Many tend to take organised tours, especially those travelling from India, Korea and Taiwan. They also prefer shorter breaks.

Europeans like to indulge themselves when it comes to holidays, usually staying at least two weeks.

Travellers from Africa and the Middle East like to travel further and longer of at least two weeks. They are more willing to pay for personalised tours

At the same time, the demand for travel agents is likely to go up as travellers start venturing into destinations in the developing world such as Egypt, Turkey and Saudi Arabia. Visits to these Middle Eastern countries are likely to be done through organised tours rather than independent tours.

Travel arrangements for last trip



Did you know?

Europeans like driving on holiday. 24 percent have actually travelled to their last holiday destination by car.

TECHNOLOGY INFLUENCES EVERY PART OF A TRIP, ESPECIALLY AT THE BOOKING STAGE.

Travel is not an impulsive decision for most travellers. The study reveals that globally travellers take an average of 11 days to plan a trip, with the distance to their destination determining the time spent planning. Travellers from Asia spend comparatively less time planning, a likely result of their preference for quick getaways over long trips.

The sources that travellers rely on to help them throughout the trip differ at each stage. In this digital age, the reliance on online resources is obviously high although it is interesting to note that the role of technology is most prevalent when planning a holiday while, at the destination, travellers are more reliant on face-to-face help.

Did you know?

Travellers from APAC and Africa and the Middle East are most reliant on traditional sources when planning and booking. Although online sources are popular in APAC, traditional guidebooks and magazines still hold influence. The opinion of friends and relatives has a particularly high sway on the destination choices of people in Africa and the Middle East, where booking online is often seen as complex.

Planning and booking stage

Searching for travel reviews, cheap flights and accommodation online is a popular way to gain information about the destination. Most independent travellers purchase their flights and accommodation directly from service provider websites because they see online booking as a time saver.

The ability of a website to provide clear price comparisons and travel reviews is key to driving traffic to the site.

Information Sources for Travel

	Planning	Booking		During
		Independent	Packaged	
Digital Information Sources	71%	65%	36%	57%
Traditional Information Sources	61%	45%	64%	61%

Big travel brands such as TripAdvisor, Expedia, and Hotels.com, are widely used although travellers from emerging market such as Mainland China, Brazil, and India show a preference for home grown sites.

Top 3 websites

Planning

28% Tripadvisor

21% Expedia

20% Hotels.com

Booking

12% Expedia

11% Tripadvisor

10% Booking.com

During

30% Facebook

20% Google+

19% Tripadvisor

Top home grown websites

Mainland China | Ctrip.com

Brazil | Decolar.com

India | Makemytrip.com

Japan | Rakuten Travel

Mexico | Aeroméxico

Russia | Travel.ru

WHILE TRAVELLERS REFER TO TRADITIONAL SOURCES DURING THE TRIP, THEY LIKE TO STAY CONNECTED DIGITALLY

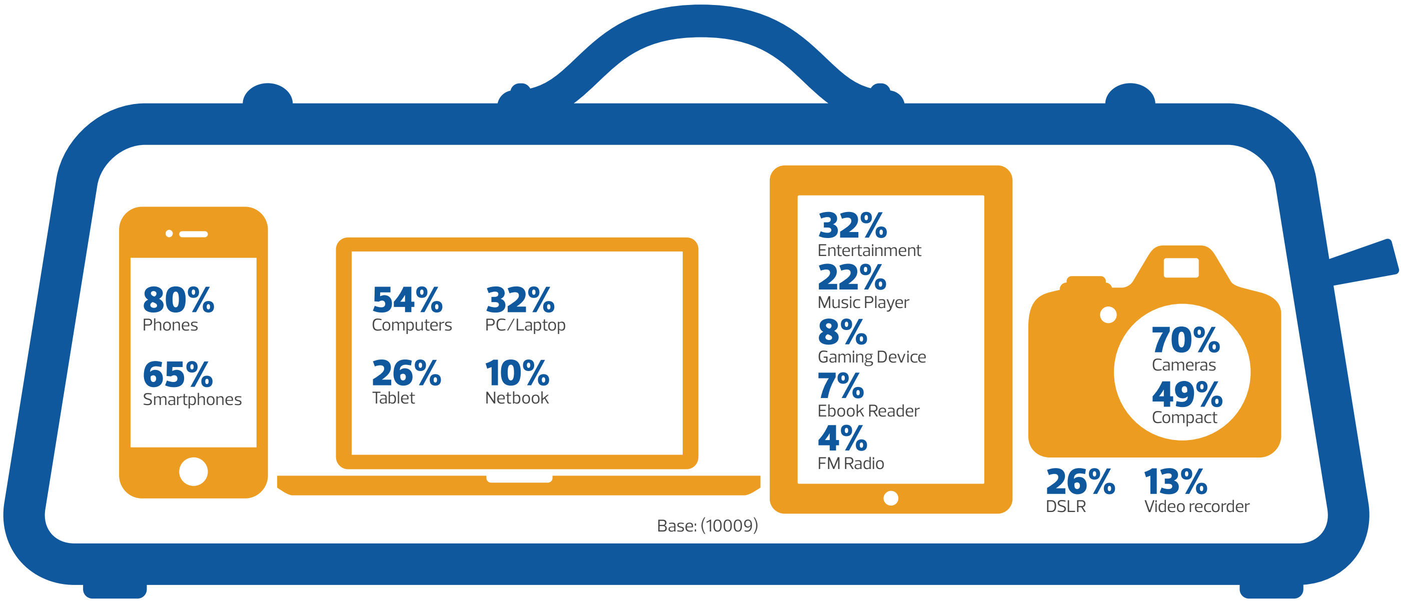
During the trip

Once travellers reach their holiday destination, the Internet still plays a role but it becomes less important as many travellers turn to traditional resources such as guidebooks and local agents for information.

Despite this, today's travellers want to stay connected to the digital world even when aboard. The majority do not leave home without bringing at least some electronic gadgets, in particular smart phones and laptops.

Updating social media accounts, posting pictures, instant messaging and sending emails are all popular ways for travellers to share their experience when they are on the road. Internet connectivity is the main reason they choose the devices that they take along with them on their trips.

What gadgets do travellers bring with them on their trips?



After the trip

Upon return, more than a third of travellers post their holiday snapshots online. European travellers are less engaged, but do still share their experiences via private emails.

Emerging market travellers on the other hand love to share, with 79% choosing to upload posts about their experiences on their return. For the APAC travellers, sharing via status updates on social media is as popular as sharing via email.

Did you know?

Online behaviour of travellers differs across regions. Europeans prefer to 'detach' themselves from daily life when travelling, while those from APAC and Africa and the Middle East stay more connected online throughout their trip.

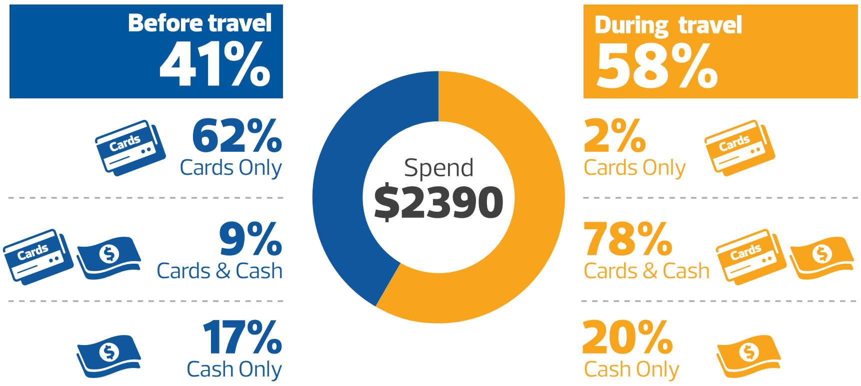
TRAVELLERS ARE MAKING INCREASINGLY SOPHISTICATED PAYMENT CHOICES

With the growing availability of payment options, cash is no longer the only method of making cross border transactions. Of all the payment card options available, credit cards are the most widely used and their popularity is likely to continue to grow in the future.

Asia Pacific and the USA have the highest credit card penetration while in Europe, debit cards are used as heavily as credit cards. Penetration of credit cards is not as high in countries in the Africa and Middle East region.

Preference of payment methods differ throughout each stage of a trip. While cards are most widely used for booking trips, cash remains the top choice at the destination.

Having reached the destination, travellers mainly spend their budget on retail, dining and tourism activities. The majority of these activities are paid for by cash, with only high-value ticket items such as high-end dining being transacted with cards.



Breakdown of spend at destination

30% Retail
- **17%** Medium / Large Retailers
- **13%** Small Retailers

24% Dining
- **12%** Casual / family dining / small local restaurants
- **7%** High end restaurants
- **6%** Fast food restaurants

21% Activities
- **7%** Entertainment and nightlife
- **6%** Entry fee for tourist attractions
- **2%** Beauty and wellness treatments / spa services

9% Accommodation

7% Local Transport

5% Airfare

Did you know?

While the card ownership in Africa & the Middle East countries is not as high, they find using cards modern and thus aspirational.

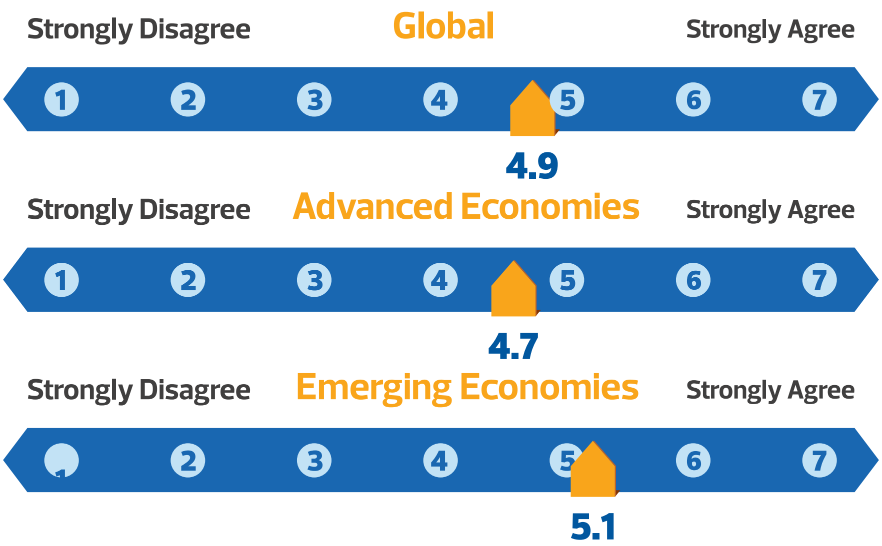
TRAVELLERS ARE MAKING INCREASINGLY SOPHISTICATED PAYMENT CHOICES

Visa to stay at the forefront of mobile and contactless payment

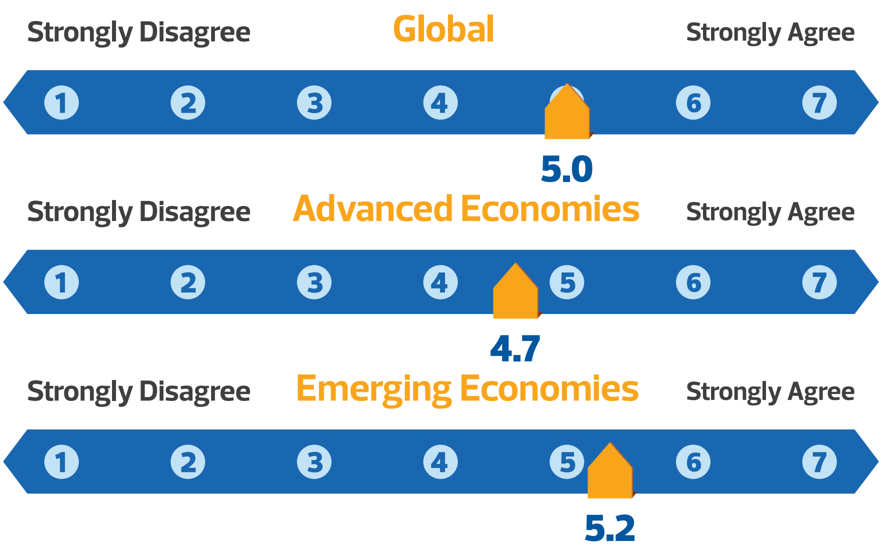
Mobile and contactless payments are receiving increasingly positive feedback from travellers around the world, particularly from the emerging economies. Visa is committed to bring this advanced mode of payment to travellers around the world.

Respondents say...

We will be able to pay for transactions overseas with our mobile in future



Contactless Payment makes travel much more convenient



HABITS OF THE AFFLUENT TRAVELLER

Number of trips travelled

Global

Affluent

The world's affluent are voracious travellers and big spenders. Budget is less of a concern for the affluent who spend an average of USD $3,465 per trip, a figure which is likely to increase to USD $4,501 when taking trips in the near future.

Seeking comfort in established destinations

Travel is a family affair for affluent travellers. They travel more and usually choose established countries/regions that offer class, culture, sights and good weather. Comfort is a must, with a majority flying on first or business class and accommodation booked in luxury hotels with 4 stars and above.

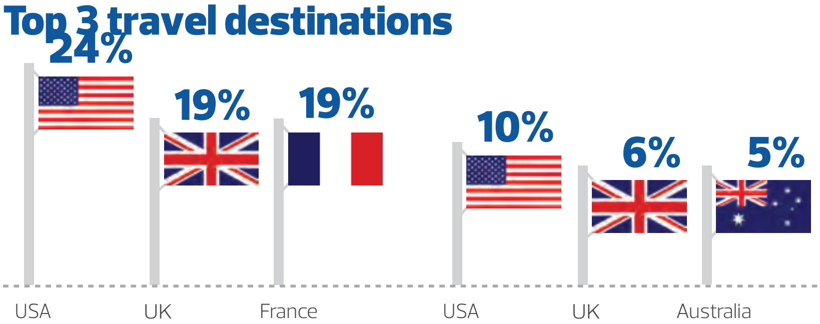
Top 3 reasons for destination choices

35% Good weather

31% Rich culture

31% Good attractions

Top 3 travel destinations



Past 2 years

Future (Next 1 year)

10–15 hour flights are common for the affluent from emerging economies, who like to visit far flung destinations. They choose to visit established countries/ regions such as Hong Kong, Singapore, Japan, USA, Europe and Australia.

The role of travel agents

Most wealthy travellers (70%) choose to go on independent tours, but are willing to pay more for someone to arrange their holidays for them.

Packaged tours are more popular among affluent Asian travellers, driven by Taiwanese, Indians and Koreans. Indians and Koreans also have a preference for personal tour guides.

Travel arrangement

	Global	Taiwan	India	Korea
Packaged or guided tours	30%	29%	25%	35%
Personal guided tours	11%	15%	11%	7%

Did you know?

The affluent in Asia, like to go to Europe for their holiday, no matter which country/region they hail from.

HABITS OF THE AFFLUENT TRAVELLER

Digital plays a big role

Digital is used more at the planning and booking stages, while at the destination, affluent travellers start relying more on traditional sources such as guidebooks or magazines.

Planning and booking of the trip: Service providers, travel reviews and official tourism sites are widely referred to sources for the affluent at the planning stage. When they book, they tend to refer to service providers as well as travel aggregator websites.

During the trip: The affluent are ahead of the technological curve, taking with them higher-end gadgets, as well as additional lifestyle devices such as tablets and e-book readers.

Cards provide peace of mind

With higher disposable incomes, it is no surprise that card ownership amongst the wealthy travellers is high with 85% owning credit cards and 50% holding an international debit card.

Many take their cards with them on their trip, and are more likely than the typical travellers to use them before and during their travels.

	Before travel 40%		During travel 60%	
	Affluent	Global	Affluent	Global
Cards Only	68%	62%	3%	2%
Cash and Cards	10%	9%	87%	78%
Cash Only	11%	17%	10%	20%

VISA

Visa is still the most popular card brand amongst the wealthy. What this group seeks is better rates and easy replacement in the case of a lost card. Merchants that accept card payments have much to gain, as the majority of affluent travellers (78%) spend with credit cards.

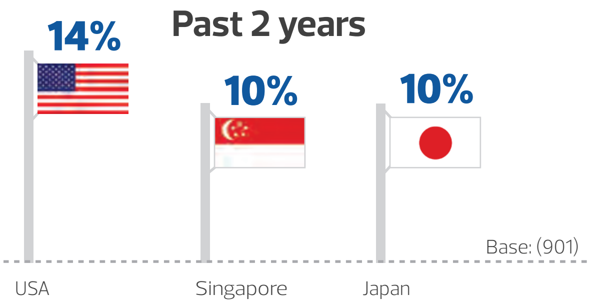
THE DIFFERENT CHOICES MADE BY FIRST-TIME TRAVELLERS

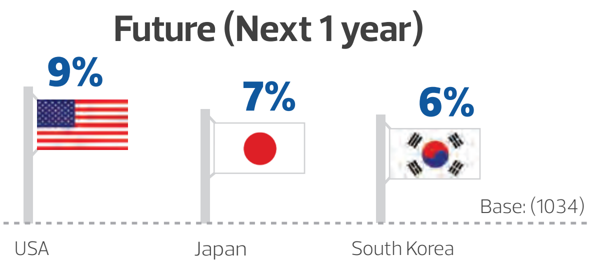
The rise of emerging economies and their middle classes means that there will be many new travellers embarking on their first trip over the next few years. While current spending is low at US$ 1,708, the average budget of a new traveller is likely to increase to US$ 2,501. As such, understanding this group is key to understanding upcoming travel trends.

A preference for safe and secure destinations first

The USA is the most popular destination for this segment. However, first-time travellers also choose regional destinations that they perceive as safe and secure, such as Singapore and Japan. New travellers seek culture and attractions as much as seasoned travellers, aspiring to visit destinations with cultural cache such as Japan and Korea.

Top destinations among new travellers





	New travellers	All travellers
APAC	57%	42%
Age	22 years old	37 years old
Not Affluent	88%	79%

Many first-time travellers will come from APAC countries/regions and most are in their 20s or 30s.

Budget influences their trip

Budget plays a key role in destination choice for this group and many are more likely to take a shorter trip of up to four days. First-timers are more likely to settle for bed and breakfasts (B&Bs), and tend to travel economy class on airlines. They are more inclined than other groups to travel with their friends and colleagues.

Economy class

4 Days

Hostel / B&B

Friends

THE DIFFERENT CHOICES MADE BY FIRST-TIME TRAVELLERS

The use of technology in planning

The majority of first-timers prefer independently-organised trips but there is slightly more reliance on planned tours, likely due to their limited experience in trip planning.

Digital sources are highly relied on during the planning stage of the trip. At the same time, it is interesting to note that traditional sources are also heavily used including travel agents and travel guide books.

Travel Arrangements	New travellers	All travellers
Packaged / Guided	36%	30%
Independent	64%	70%

Planning Information Sources	New travellers	All travellers
Digital	69%	71%
Traditional	66%	61%

First timers are generally more excited about their trips and therefore are more likely to share their experience online when they return.

After the trip	New travellers	All travellers
Shared experience online	79%	71%
Posted photos online (e.g. Facebook / Twitter / Instagram)	42%	38%

Cards are preferred

Fewer first-time travellers own credit cards and are more reliant on cash. While cards are still the main mode of payment when booking the trip, most new travellers are still using cash when making purchases at the destination. In fact, only 30% of their spending is conducted with cards when travelling.

Ownership

	New travellers	All travellers
Credit cards	59%	73%

Booking

	New travellers	All travellers
Cards only	47%	62%
Cards and cash	10%	9%
Cash only	26%	17%

During

	New travellers	All travellers
Cards	30%	40%
Cash	64%	56%

Despite lower card ownership when travelling, more than half of 'first-time' travellers are likely to pay by cards in the next trip.

Card Usage (Future)

New travellers	All travellers	
CREDIT 79%	CREDIT 84%	Credit Card
CHARGE 11%	CHARGE 11%	Charge Card
DEBIT 42%	DEBIT 40%	Any Debit Card
INTERNATIONAL DEBIT 42%	INTERNATIONAL DEBIT 40%	International Debit
PREPAID 11%	PREPAID 9%	Prepaid Travel Card
Base: (790)	Base: (10348)	

AFFLUENT DEFINITION

Region	Market/Country	Monthly Income
Asia Pacific	Australia	AUD 8,501 & above
	China Mainland	RMB 10,001 & above
	Hong Kong	HKD 50,000 & above
	India	INR 80,001 & above
	Indonesia	IDR 15,000,001 & above
	Japan	JPY 747,001 & above
	Korea	KRW 7,000,001 & above
	Malaysia	RM 15,000 & above
	Singapore	SGD 11,000 & above
	Taiwan	TWD 67,000 & above
	Thailand	THB 100,000 & above
Europe	France	EUR 4,851 & above
	Germany	EUR 3,251 & above
	Russia	RUB 70,001 & above
	UK	GBP 6,001 & above
Africa and the Middle East	Egypt	EGP 21,001 & above
	Kuwait	USD 6,000 & above
	Morocco	MED 25,000 & above
	Saudi Arabia	SAR 20,001 & above
	South Africa	ZAR 30,001 & above
	UAE	AED 25,001 & above
Americas	Brazil	BRL 10,801 & above
	Canada	CAD 10,001 & above
	Mexico	MXN 82,001 & above
	United States	USD 9,001 & above

(Source countries/regions)
*Travelled in the past 2 years OR intend to travel in the next 1 year

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