



SPAIN

Market Overview 2019

Overview ♦ WORLD & SPAIN

Number of trips in the world

| YEAR | NUMBER OF TRIPS | INCREASE |
|------|-----------------|----------|
| 2017 | 1,322M | 7% |

NUMBER OF TRIPS / RESIDENTS IN SPAIN

157,264,041

Economy in Spain

GDP 2018: +2.7%

Forecast 2019: + 2.2%

2020 Forecast: + 1.8%

Unemployment: 14.8% (October 2018)

Average income per household: € 27,558 (2017)

Number of wealthy people: 224,200 in 2017 (+ 76% vs. 2008)

Number of ultra-wealthy people: 579 in 2016 (more than 30 M €)

Spanish tourist expenses

- ♦ The total expense in travel during the H3 2018 was 19,055 million euros, which represents an increase of 4.6% over the same period in 2017.
- ♦ In the travels with national destination the total cost increased 2.3% and in those abroad 9.3%.
- ♦ The average daily cost was 40 euros for national travels and 90 euros for trips abroad.
- ♦ During the first nine months of 2018 the total expense of residents' travellers increased by 6.8%. The growth was 4.1% in national travels and 12.6% in those abroad.
- ♦ Spain is the 13th in the world ranking of countries that spend most on travelling abroad.

Outbound tourism

- ♦ Residents in Spain spent € 18,374 million on their travels abroad between January to October.
- ♦ Revenues from foreign tourism in Spain grew by 5.6% in October and accumulate a 3.3% growth rate of 55,161 million euros so far this year.
- ♦ The expenditure / revenue balance registered in the first ten months of 2018, the Spanish tourism sector has accumulated a surplus of 36.787 million euros, 0.7% less than the same period in 2017.

The way of travelling in Spain

BOOKING IN ADVANCE

Only 6.8% book with more than 60 days before departure. 20.1% do so between 10 and 19 days before. In the same way, many of them prepare the getaway between four to nine days before (19.9%). A 19.5% do so between one to three days before. Only 2% seek options on the day of departure.

TRANSPORT

In the first nine months of 2018, national travellers used their owned vehicle (117,073,735 in total) increased by 0.6% and travels abroad by air transport (9,657,938 in total) grew by 21.2%, compared to 2017.

ACCOMMODATION

During the first nine months of 2018, travels to national destinations of residents staying at the home of relatives or friends (62,726,833 in total) decreased by 0.1%. Furthermore, travels abroad in a hotel accommodation (5,618,147 in total) increased by 11.7%, compared to the same period in 2017.

REASON

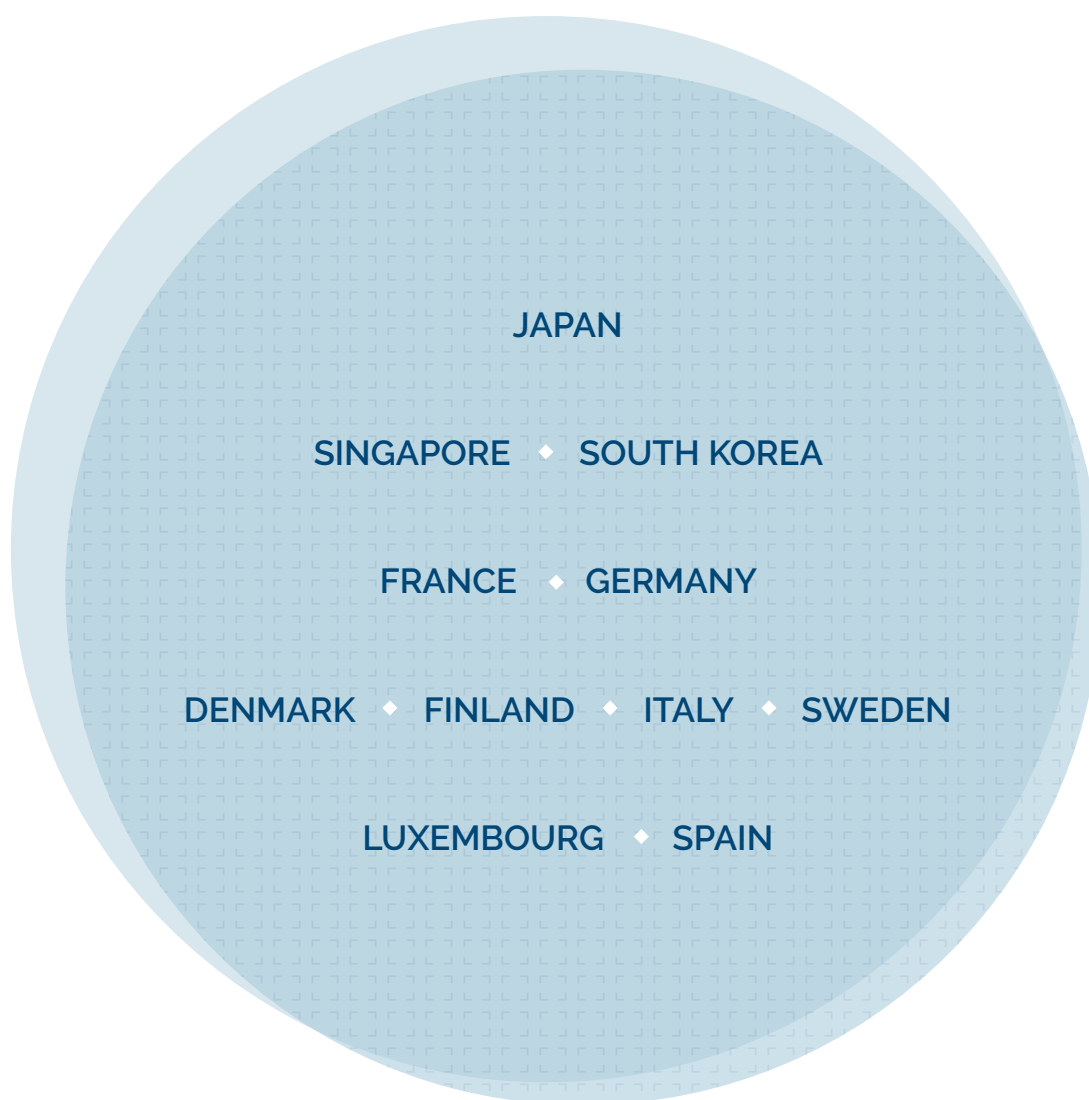
During the first nine months of 2018 leisure travels (83,523,701 in total) increased by 2.9% and visits to family or friends (53,559,970 in total) by 0.5% compared to the previous nine months in 2017.

SPAIN AMONG THE 10 COUNTRIES WITH THE MOST NUMBER OF MILLIONAIRES

The report “Global Wealth in 2018” by Credit Suisse,
published that the 10 countries with the most millionaires are:

| COUNTRY | NUMBER OF MILLIONAIRES | % OF WORLD TOTAL |
|-------------------------|---------------------------|---------------------|
| 1 UNITED STATES | 17,350,000 | 41% |
| 2 CHINA | 3,480,000 | 8% |
| 3 JAPAN | 2,809,000 | 7% |
| 4 UNITED KINGDOM | 2,433,000 | 6% |
| 5 GERMANY | 2,183,000 | 5% |
| 6 FRANCE | 2,147,000 | 5% |
| 7 ITALY | 1,362,000 | 3% |
| 8 CANADA | 1,289,000 | 3% |
| 9 AUSTRALIA | 1,288,000 | 3% |
| 10 SPAIN | 852,000 | 2% |

MOST VALUABLE PASSPORTS



Main tourist sectors

CRUISERS

The first semester of 2018 shows a balance for the Spanish cruise issuer that allows us to be optimistic, with an increase of 8.4%.

In the first quarter of 2018, 48,000 Spaniards enjoyed a cruise, 6% more than in the previous quarter, and 127,000 they did so in the second quarter, 9.3% more than in the previous period.

Regarding the duration of the cruise, the Spaniards had an average of cruise travel by 7.3 days in the first semester of 2018, in contrast to the 7.7 days of the previous year.

Until November 2018, 9,562,851 people have joined cruisers in Spain, + 11.45% than in 2017.

DESTINATIONS

Western Mediterranean cruises 82,500 passengers (47%), Eastern Mediterranean 24,200 passengers (24%), and growth of 19%, Caribbean / Bahamas, with 20,700 passengers and a decrease of 1.88%, Northern Europe with 15,700 passengers and an increase of 11.79% in the Canary Islands, where 13,000 passengers travelled, are increasing by 83%.

BUSINESS & MICE

Throughout this year the demand for meetings and events will grow between 5% and 10%, and the average size of meetings will increase in almost all regions of the world.



LUXURY



European travel experts say that...

Luxury travels are associated with exclusive and unique experiences, as well as more personalized services.

When making a purchase, high-level travellers choose the destination first, then the in situ service, preferably an exclusive boutique hotel followed by international hotels.

The number of luxury trips decreases to a maximum of 3 trips per year.

Most luxury travellers still book offline and rely on the recommendations of a travel specialist.

Luxury travellers at a glance

Generation X is on the rise: most are couples aged between 36 and 55.

While they are on vacation they look for relaxation and comfort, and they also love the gourmet food tasting, the culture and private excursions in nature.

They are sensitive to the value for money and added value, rather than the price.

Your budget per trip is between € 5,000 and € 10,000.

They trust the recommendations of friends and family, as well as Internet reviews.

What to expect in the coming years

High level travellers will be extremely demanding, informed and increasingly sensitive to eco-friendly travel solutions.

Luxury travel in general will increase by 6-10% in the next 2-3 years.



GASTRO

One of the favourite social networks of travellers is Instagram. Of the Spanish travellers on this platform, 71% have purchased a ticket abroad and 84% have purchased local trips within their own country. Of the diverse interests that motivate those trips, the gastronomic tourism is one of the niches of market that faster grows. 75% of tourists on Instagram choose a destination for their gastronomic experience and 88% of destinations consider gastronomy to be the key to their brand and image.

ACCORDING TO THE 1ST GASTRONOMIC TOURISM STUDY IN SPAIN, CONDUCTED BY THE BLUEROOM PROJECT:

The culinary tradition influences the image of a destination and can determine the traveller's choice

80% of professionals believe that food is an important factor when choosing a destination.

A true segment of the tourism market

44% sell a gastronomic package, and 24% intend to do so.

A customized communication

Direct sales remain the best option for Gastronomic Tourism packages.

The rise of the Internet

Although traditional commerce remains the most chosen option, agencies promote their products through the Internet and Social Networks due to the increase in online sales and the use of the Internet.



Full Growth

In the last three years, 73% have noticed an increase in demand; of these, 42% said that the increase was "important".

Potential customers

Men and women between 36 and 55 years, who prefer to travel as a couple for 2-3 days and spend an average of between 100 and 250 euros per person per day.

The added value

The visits to the destination and its surroundings are the most demanded by the gastronomist along with cultural itineraries.



LGBT



The 2018 Pride festivities in Madrid attracted more than a million visitors to the capital, less than in the 2017 edition of the itinerant and more-sized World Pride, but the spending has been greater than the previous edition.

The average cost per traveller will be about 500 euros in sectors such as cultural leisure, commerce, hospitality and catering and hotel.

The profile of LGBTI tourists is very diverse, although most are between the ages of 28 and 40 and spend up to 35% more than a conventional tourist.

The Pride festivities are the main attraction of gay tourists. So apart from Madrid other popular Spanish destinations among the LGTBI community are Sitges in Barcelona and Maspalomas in Gran Canaria, or now Torremolinos, an emerging destination that is betting a lot on this segment. Internationally, the favourite destinations are Israel, Canada, Thailand, Cape Town, New York and Portugal.

P2P



According to the Tourism and the Sharing Economy report, the annual growth rate of P2P hosting services in the world is estimated at 31% between 2013 and 2025, a rate six times higher than that of bed and breakfast services and hostels traditional

According to the data registered by the V Barometer of Holiday Rental in Spain carried out by HomeAway in collaboration with the University of Salamanca, the use of tourist housing has increased by 33% in the last two years. The activity of the sector generated an economic impact of about 62 billion in Spain. In addition, 32% of the total cost of stay per person staying in a tourist home is done in the surrounding shops.

TRAVEL TRENDS

BLEISURE

More than 50% of Spanish millennials have signed up to the new bleisure trend, a practice that combines business trips with leisure activities. They usually travel accompanied by at least one person and record an average cost per individual and travel of 743 euros. Permanent connectivity is another factor that defines this profile, taking into account that 45% of them are still in contact with family or friends during their travels and 55% also do so with their clients.

SHOPPING

In 2017, some 130 million Chinese citizens travelled abroad, about 14 million visited Europe and about 515,000, Spain. The tourism of purchases is a key point to maintain this path of the growth of the expense that all the sector looks for. In 2017 only about 74,500 people travelled to Spain exclusively with a purchase reason.

Spain took in 2017 only 3.7% of Chinese tourists who arrived in Europe; 515,000 against 13.6 million. It ranks fourth in preferences for shopping tourists despite being the first country in the world in tourism competitiveness.

ECO ♦ RURAL

45.53% of rural tourists book with less than one month in advance, 24.58% with less than 15 days and 10.47% contract their accommodation 5 days or less before the date of the trip.

The main problem of the sector continues to be seasonality. There are high peaks of occupation during bridges and holiday periods, slightly more moderate peaks during the weekends and very little occupation on Monday through Thursday nights.

HEALTH

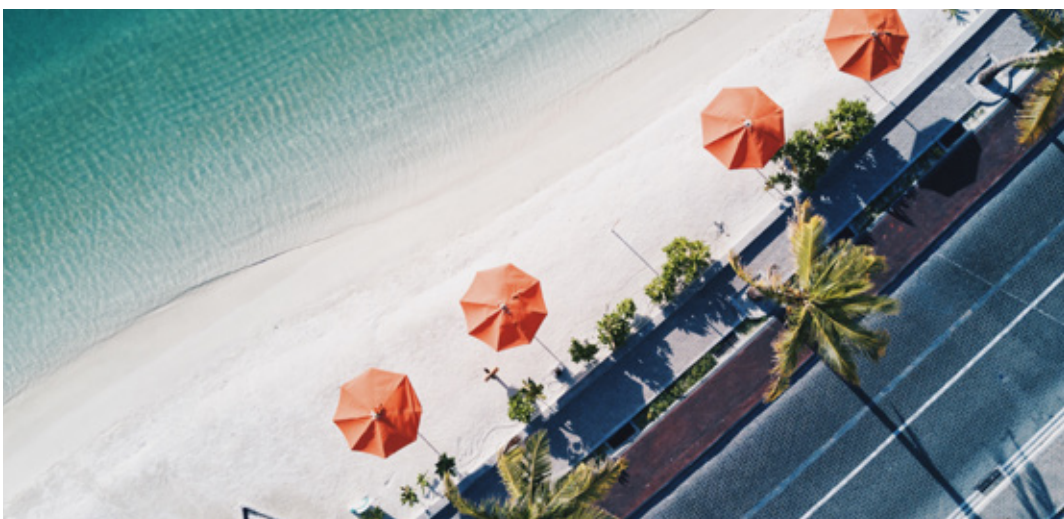
Travellers in this sector have a good purchasing power. 140,000 visitors in 2016 accounted for some 500 million euros of direct spending, according to the estimates of Spaincares. This is about 3,500 euros per person, while the average of the total number of visitors that year, according to Turespaña, is around € 1,000.

Health Tourism is expected to continue to grow in Spain, especially in passenger spending, which in 2018 will leave 7% more than in previous years and compared to traditional tourists.

CITY TRIPS ABOVE SUN & BEACH

Urban destinations around the world received 190 million international travellers last year.

Urban tourism has tripled its figures in a decade thanks to cheap flights and new accommodation formulas.



Tourism and technology ♦ Digital

Shopping · online reservations

The National Commission of the Markets and the Competition (CNMC) has revealed that the industry that more invoices in electronic commerce is the one related to the travel agencies and tour operators, with 14.8% of the total, followed by air transport, with 11.8% and hotels and accommodation, with 5.1%.

The tourism sector accounts for 29.3% of the turnover in Spain and 73.6% of the purchases from abroad.

Penetration of smartphones in Spain

96% of citizens have a mobile phone and of these, 87% are smartphones.

66% of the world's population already has a mobile phone, while the internet has a penetration of only 50%.

Spain leads the world ranking in penetration of smartphones with 88% of unique users.

The mobile is the device most used in Spain to access the internet, used by 94.4% of Spaniards.



TRENDS IN MK & TOURISM .com

DIGITAL OPTIMIZED

Investment in advertising and digital campaigns continues to show a steady increase. The facilities provided by the so-called Bid Data and the wide penetration of the Internet in the lives of Spaniards mean an increase in investment in this channel. However, there are key factors to refine to successfully develop these campaigns with aspects such as a quick page load that does not exceed three seconds to avoid lead leaks, as well as the adequacy of the offers in promotional campaigns to avoid waste of the investment. These factors are key to obtaining an adequate ROI of the investment.

INSTAGRAM / INFLUENCERS

More than 50% of users value comments positively and accept that influencer recommendations influence their purchasing decisions. Another study shows that 88% of the brands consider the actions with very positive influencers to achieve notoriety and half consider them effective to increase sales.

NEW NETWORKS

Social networks are already part of the day to day of people and companies. Tourism brands are increasingly exploiting trends in social networks and giving greater importance to image-based platforms such as Instagram, and even exploring international social networks such as WeChat and Weibo to enter the Chinese market.

BLACKFRIDAY

With the aim of strengthening sales in one of the worst quarters of the year, the tourism sector has joined the campaign born in North America called Black Friday, which is held just after Thanksgiving. In Spain, both the transport sector as airlines, Renfe and buses, as well as accommodation and travel agencies have launched several campaigns with discounts.

TRENDS IN MARKETING 2019

ACCORDING TO REBIXIT CONSULTING

1. Maximize local SEO
2. Have a mobile-friendly website
3. Create more content
4. Be more present than ever in social networks
5. Use video in the marketing strategy

MOST POPULAR DESTINATIONS FOR SPANIARDS

ASIA AND OCEANIA

- 1 THAILAND
- 2 VIETNAM
- 3 CHINA
- 4 JAPAN
- 5 INDONESIA
- 6 INDIA
- 7 MYANMAR
- 8 SINGAPORE
- 9 MALDIVES
- 10 PHILIPPINES

AMERICA

- 1 UNITED STATES
- 2 CANADA
- 3 MEXICO
- 4 DOMINICAN REPUBLIC
- 5 ARGENTINA
- 6 PERU
- 7 CUBA
- 8 COSTA RICA
- 9 BRAZIL
- 10 CHILE

AFRICA

- 1 MOROCCO
- 2 KENYA
- 3 TANZANIA
- 4 MAURITIUS
- 5 SOUTH AFRICA
- 6 SEYCHELLES
- 7 ETHIOPIA
- 8 SENEGAL
- 9 ZAMBIA
- 10 BOTSWANA

EUROPE

- 1 ITALY
- 2 FRANCE
- 3 PORTUGAL
- 4 UNITED KINGDOM
- 5 TURKEY
- 6 GREECE
- 7 GERMANY
- 8 NETHERLANDS
- 9 BELGIUM
- 10 SCANDINAVIA

MOST POPULAR SHORT-DISTANCE CITIES

- | | | | |
|---|--------|----|-----------|
| 1 | PARIS | 6 | AMSTERDAM |
| 2 | LONDON | 7 | BRUSSELS |
| 3 | ROME | 8 | FLORENCE |
| 4 | BERLIN | 9 | MILAN |
| 5 | LISBON | 10 | PRAGUE |

MOST POPULAR DOMESTIC DESTINATIONS

- | | | | |
|---|-------------------|----|----------------------------|
| 1 | BARCELONA | 6 | BILBAO |
| 2 | PALMA DE MALLORCA | 7 | LAS PALMAS DE GRAN CANARIA |
| 3 | MADRID | 8 | MALAGA |
| 4 | SEVILLE | 9 | GRANADA |
| 5 | VALENCIA | 10 | LANZAROTE |

THE 20 MOST SOUGHT-AFTER DESTINATIONS BY SPANIARDS IN 2018

ACCORDING TO TRABBER

- | | |
|---------------------|-------------------------------|
| 1 MADRID | 11 LAS PALMAS DE GRAN CANARIA |
| 2 NEW YORK | 12 LONDON |
| 3 PALMA DE MALLORCA | 13 LANZAROTE |
| 4 BANGKOK | 14 ATHENS |
| 5 TENERIFE | 15 IBIZA |
| 6 BARCELONA | 16 MIAMI |
| 7 TOKYO | 17 PARIS |
| 8 MAHON | 18 SAN JOSE |
| 9 LIMA | 19 LOS ANGELES |
| 10 HAVANA | 20 DUBLIN |

sources

AERVIO
AGENTTRAVEL
CITY OF MADRID
BANK OF SPAIN
BRAINTRUST CONSULTING SERVICE
CAPGEMINI
CIVITATIS
CLIA SPAIN
RURAL CLUB
NATIONAL COMMISSION OF MARKETS AND COMPETITION
CONFEDERATION OF COMMERCE OF MADRID
CREDIT SUISSE
CWT MEETINGS & EVENTS
DESTINATION INSTAGRAM
DITRENDIA
ANNUAL STUDY OF SOCIAL NETWORKS
IMF
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marketing & communications

- ◆ tourism
- ◆ luxury
- ◆ lifestyle

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