

## Editor's comment from *City Profiles* Issue No. 25

### Spending by Europeans fails to keep pace with growth in trip volume

As confirmed by our first article in this issue of *City Profiles*, Europeans' city trips have shown phenomenal growth over the past few years, doubling in volume since 2000. Over the same period, other types of holiday only managed to chalk up a modest 8% increase.

Even without the statistical evidence, nobody would doubt the fact that no-frills' airlines have been the main driver of this growth. True, IPK International's definitions of low-fare air travel are peculiar to the European Travel Monitor (ETM), but the trends identified by the ETM mirror closely those of low-cost carriers (LCCs) alone and no-frills airlines in general.

What the ETM and other surveys have not yet revealed is the impact of no-frills' air travel on spending patterns generally, nor indeed on specific destinations. Understandably, given the high cost of obtaining the data, IPK is only willing to share these gems of information with subscribers to its World Travel Monitor, of which the ETM is part. But we can start to make some estimates based on the findings available – not to mention the scraps of data with which IPK so kindly provides us.

The World Tourism Organization (WTO) recently announced that its provisional estimates for international tourism receipts in Europe pointed to a rather meagre 2% growth, as against 10% for the world overall. This is less than half the 5% increase in Europe's arrivals and must be attributable to the shorter average length of trip and lower spend per trip of travel within Europe – again, related to the faster than average increase in short-break, no-frills airline travel.

### Barcelona's spending per visitor declines by 5%

To substantiate this argument, take the case of Barcelona, one of the most successful city destinations in terms of tourism growth over the past decade. In 2004, Barcelona's arrivals from Europe (excluding domestic arrivals) rose by 22% to 2.2 million, according to Turisme de Barcelona. IPK does not provide any comparative figure (which makes the arithmetic much more difficult to reconcile). But the ETM does show that visits by Europeans to Barcelona using low-fare airlines (see IPK's definition in the above-mentioned article) increased by 115% last year and now account for a 44% share of all European visits.

As a result of the increase in low-fare visitors, the ETM suggests there was a 5% drop in spending per visitor in the Catalan capital in 2004. And this in turn obviously had a negative impact on overall spend by Europeans.

While Turisme de Barcelona cannot confirm this, it does admit that the growth in arrivals using no-frills' airlines has been significant and that, as a result, it has been anticipating a fall in yield. Ryanair alone brings around 2 million visitors to Girona Airport, and 60% of those reportedly head for Barcelona itself. Numerous other LCCs operate to Barcelona Airport, including easyJet, Transavia and Air Europa.

The trend is interesting – not just for Barcelona but also other favourite city-break destinations in Europe – and we will certainly be monitoring it closely over the foreseeable future.