

YOUTH

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**WYSE TRAVEL
CONFEDERATION**

INDUSTRY REVIEW NO. 5
EXECUTIVE SUMMARY

**GLOBAL DATA,
STATISTICS
AND TRENDS II**

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YOUTH AND STUDENT TRAVEL MARKET

Industry Review no. 5 Executive Summary: GLOBAL DATA, STATISTICS AND TRENDS II

This is the fifth in a new series of industry reports for WYSE Travel Confederation members.

Commissioned by:



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CONFEDERATION**

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Research programme

WYSE Travel Confederation and its Sector Associations are committed to understanding the ever-changing characteristics, motivations and needs of young travellers and the industry that supports them.

The Confederation and Associations gather, analyse and share important research data and market intelligence with their members, academics, corporate and government decision-makers, and the general travelling public.

Our investment in research and market intelligence informs the policies, services and products which make international travel and educational experiences exciting, safe, accessible and affordable for young people.

Last year, we developed a partnership with industry research specialist StudentMarketing to build on the good work already done and help fill out the picture of our vibrant but still under-documented industry.

The Research Programme has three parts:

1. Industry Review Series

A research based industry review from secondary sources, compiling recently available data on industry matters that affect members' businesses (youth travel market dynamics, mobility, pricing, customer preferences and marketing).

2. Primary Survey

Primary research to source up-to-date data from youth specialist businesses across all sectors, globally.

3. Research on Demand

WYSE Travel Confederation members have the opportunity to commission research particular to their sector and business needs.

We hope our members will find these new additions to our Research Programme useful and thought provoking. The three stage programme outlined above, offered in collaboration with StudentMarketing, is only available to WYSE Travel Confederation members.

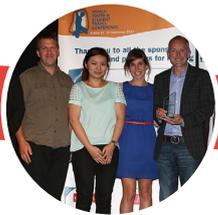
Please visit www.wysetc.org for more information about WYSE Travel Confederation's Research Programme.



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Introduction

In 2011, WYSE Travel Confederation began its latest research initiative, a commitment to better document the youth and student travel industry and provide Confederation members with useful market intelligence.

Within the Research Programme, the Confederation launched a series of Industry Reviews which examine the youth and student travel industry.

This study represents an update of the Industry Review no. 1 (released in 2011), which marked the first attempt to identify, analyse and interpret existing secondary data with the aim of bringing individual industry sectors to a comparable level.

The Industry Review no. 5 builds on this foundation and provides youth and student travel organisations with the most recent market intelligence, which is essential for informed decision making and contributes to a better understanding of the industry by the broader travel community.

Although the essence of this report is encompassed in hard data, the study also delivers insights about current developments and an outlook into the future.

The research initiative was conducted in cooperation with Student-Marketing, a strategic research partner to WYSE Travel Confederation.

The Executive summary and full report (members only) for this and the other reports in the Industry Review series are available at www.wysetc.org.

Methodology

This study summarises the outcome of secondary research conducted from February to July 2014.

The data presented in this report comes from a mix of sources and details the perspectives of both businesses and end customers. More specifically, the research draws on statistics acquired from governmental bodies, international and national associations, international organisations, ranking companies, market research providers, media, as well as individual youth and student travel organisations.

This process involved extensive data mining that examined over 550 sources. The 143 charts compiled in the coming pages represent a baseline overview with more information available from the sources outlined. For a comprehensive list of sources used, please see "Resources" on page 74.

Challenges identified:

- Industry sectors vary in terms of data availability – some are very-well measured (e.g. higher education), while others lack even fundamental data such as market size and value (e.g. volunteer travel, backpacking). As a result, each sector features a unique structure.
- Definitions for various elements of the youth travel industry remain to become firmly established and standardised at a global level in comparison to the global tourism industry. As a result, global standards for measuring the youth travel market continue to evolve.

A note under each chart refers to the origin of the data.

Executive summary

This “Youth and Student Travel Market – Global Data, Statistics and Trends II, Industry Review no. 5” study provides an update of the Industry Review no. 1, published in 2011.

After an initial overview of global tourism, the report focuses on the youth and student travel industry and its six major sectors, namely Language travel, Higher education, Work experience/Exchange, Volunteer travel, Backpacking/Flashpacking and Youth travel accommodation. The most recent statistics provide insights into market size and value, preferred destinations and programmes, top source markets, booking channels and other important parameters of the youth and student travel market, featuring both the B2B and B2C perspectives.

Among the key findings summarised in this study are:

Global tourism

- Global tourism contributes US\$7 trillion to the world economy (direct and indirect contributions) and represents 9% of the global GDP;
- In 2013, the industry reached 1.1 billion arrivals and recorded US\$1.16 trillion in revenue;
- An increasing number of bookings are being made online – global online sales in tourism now account for US\$524 billion.

Youth and student travel

- Youth and student travel continues to be a growing segment of global tourism, with its monetary value equalling US\$203 billion;
- In terms of international arrivals, youth travel is set to overtake business travel by 2015;
- The top youth travel destinations by share of total visitation are the USA (15%), France (7%), Spain (6%), Italy (6%), and the UK (5%).

Language travel

- The sector has entered a period of consolidation, with minor growth levels anticipated;
- An average language school receives 700 international students annually;
- One of the most notable developments is a shift from General English courses to studying English abroad for specific purposes, e.g. further studies at higher education institutions abroad.

Higher education

- The sector has doubled its volume over the last decade and now accounts for 4.1 million international tertiary students;
- This expansion is primarily fuelled by a gap between a growing number of affluent people and a lack of quality domestic institutions;
- With ongoing diversification, China and Canada were the only top 10 destinations to have increased their market share.

Work experience/Exchange

- The largely government-regulated sector has been performing at a moderate pace in the last 6 years;
- In 2012, the US Summer/Work Travel programme showed a growth of 15%, which marked the first increase in participant numbers since 2007, but numbers were down again in 2013.

Volunteer travel

- Although fundamental data is missing, there are signs that the market is growing at a relatively fast pace;
- Location and nature of the programme (both at 76%) are the most important factors for youth travellers when deciding to volunteer abroad;
- Western Europe and North America dominate as the top source regions for international volunteers.

Backpacking/Flashpacking

- The number of backpackers has increased thanks to more affordable transportation and a higher disposable income in the middle class;
- 65% of backpackers in Australia are aged 18 to 24;
- Flashpackers spend, on average, €300 more than backpackers (€3,400 vs €3,100 per trip).

Youth travel accommodation

- YTA currently encompasses a minimum of 300 million bednights, and its market value accounts for US\$34 billion;
- Hostels remain the top accommodation option for youth and students travellers;
- Global occupancy levels at YTA establishments have remained stable over the last 4 years and settled at 59%.

Resources

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CHAMPIONING THE YOUTH AND STUDENT TRAVEL INDUSTRY

The World Youth Student and Educational (WYSE) Travel Confederation is the world's largest and most powerful network of youth and student travel operators.

We are the global not-for-profit membership organisation dedicated to supporting this unique market, which generated an estimated US\$230 billion in 2013.

Our network of over 800 members in more than 120 countries serves in excess of 30 million travellers each year across all aspects of youth and student travel.

JOIN US TODAY AND BENEFIT

- **Networking and trading** – we can help you connect with organisations to enable you to grow your business
- **Discounts on industry events** – preferential registration rates for major events, including WYSTC and WETM-IAC
- **Industry research** – free, accurate and reliable industry intelligence and market research
- **Education** – free access to WYSE Webinars, interactive workshops and educational sessions on various topics
- **Marketing and sponsorship opportunities** – we offer a wide range of promotional and sponsorship opportunities to help you promote your business to a wider audience
- **A mark of quality** – use the WYSE Travel Confederation logo as a symbol of quality on your organisation's marketing materials
- **Industry updates** – receive regular eNewsletters, news alerts and press releases
- **Policy work and representation** – we work extensively with the UNWTO, European Commission, and on major governments' industry campaigns so can help your voice to be heard.



SECTOR SPECIFIC SUPPORT FOR YOUTH AND STUDENT TRAVEL ORGANISATIONS

As a member of one or more of our sector associations, your organisation can benefit from specific networking and trading opportunities, industry research and market intelligence.



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