

# OUTBOUND TRAVEL FROM RUSSIA

- OUTCOMES OF 2016
- OUTLOOK FOR 2017

March 2017

## DATA SOURCE

# RosIndex – quarterly survey

Largest Russian nationwide research into consumers of goods and services

- **400** categories
- **3,000** brands
- **300** lifestyle related statements

**Target group**

Russian population aged 10-75

**Geography**

50 Russian cities with a population of over 100,000 people

**Sample**

25,700 respondents (13,700 households) per year

**Method**

Offline survey

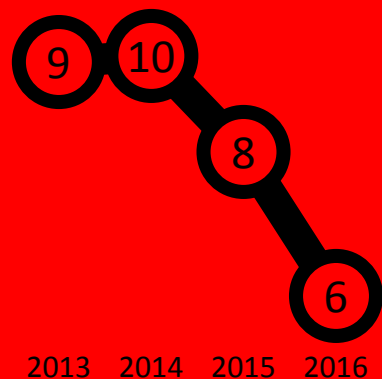
[Read more at our web site >>](#)

**BIG TRAVEL BLOCK (16+)**

- Trips within Russia and outbound
- Trips abroad:
  - Type of trips
  - Number of trips and duration
  - Travel agencies services usage. Travel companies
  - Destinations
  - Hotels
  - Means of transport
  - Expenses per person
  - Travel as lifestyle

**GAME CHANGERS**

# Falling Share of Outbound Leisure Travellers



## Main influencing events:

Ipsos Comcon

### EGYPT

- Oct 2015 - Airplane with Russian tourists crashed in Sinai due to terrorist act. On 6 Nov 2015 Russia stopped civil air communication with Egypt. Not reopened till now
- 11 Oct 2016 – terrorist act in Cairo near St Mark's Cathedral

### TURKEY

- 24 Nov 2015 – Turkey shot down a Russian military plane near the Syrian border.
- 28 Nov 2015 – Russia stopped charter air communication with Turkey, lasted till 28 Aug 2016
- Terrorist acts in Turkey in 2016-2017

### EUROPE

- Ongoing flow of news about troubles with refugees in Europe
- 14 July 2016 - Truck attack at Bastille Day celebration in Nice (France)
- 19 Dec 2016 - Truck attack at the Christmas Market in Berlin (Germany)

### INTERNAL TOURISM DEVELOPMENT IN RUSSIA

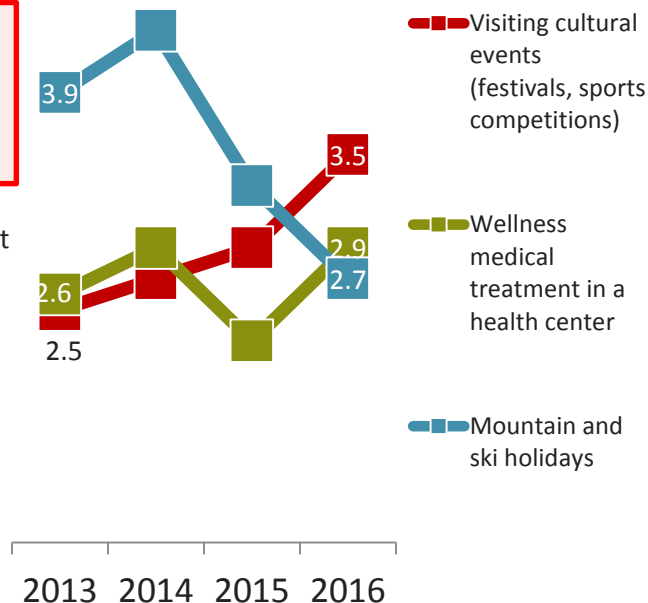
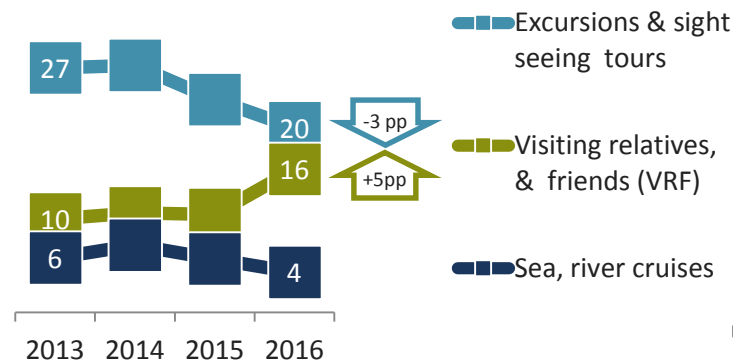
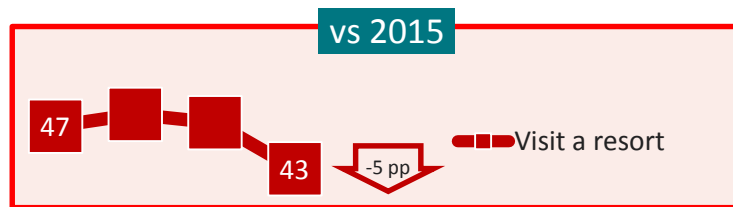
- Feb 2014 Winter Olympics in Sochi. City infrastructure re-built and renovated
- March 2014 - Crimea re-joined Russia
- Since 2014 government of RF actively promotes development of internal tourism. In Mar 2017. Ministry of Culture RF announced an award “For Contribution to the Development of Tourism in the Russian Federation” [>>](#)

Share of Russians, travelled outbound within last 12 months for leisure, %

Source: [RosIndex](#), 2013-2016

Base: Russians 16+

# Resorts, sightseeing tours and ski holidays lost the most tourists



OVERALL NUMBER OF OUTBOUND TOURISTS DECREASED, BUT NUMBER OF THOSE VISITING RELATIVES OR FRIENDS AND NUMBER OF VISITING SPECIAL EVENTS REMAINED ABOUT THE SAME – THAT'S WHY WE SEE GROWTH OF SHARE OF TWO THE LATTER IN MARKET SPLIT

Types of outbound travel. Leisure, %

Source: [Rosindex](#), 2013-2016

Base: Russians 16+ travelled outbound (all types of travel except business, study, shop tours), %



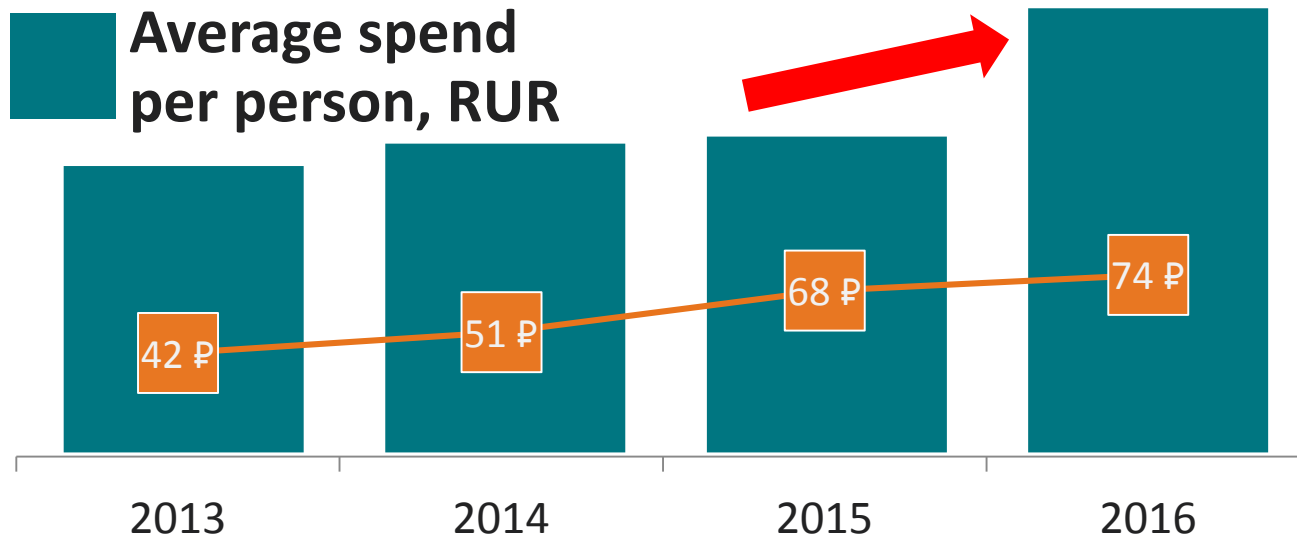
Stat. significant growth/drop



AVERAGE SPEND PER  
PERSON IN 2016  
INCREASED BY +40% in  
RUR COMPARED TO 2015

# What's behind this?

**Average spend  
per person, RUR**



THE GROWTH OF AVERAGE  
SPEND IS EXPLAINED NOT  
BY PRICES GROWTH, IT IS  
EXPLAINED BY CHANGING  
IN MARKET STRUCTURE –  
SEE NEXT SLIDE

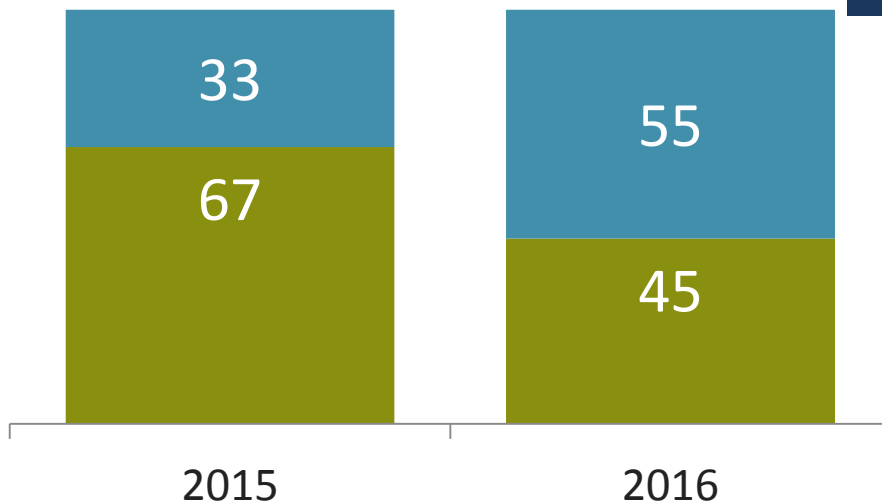
— Average weighted  
Euro rate

Source: Ipsos Comcon. [RosIndex](#),  
Base: Russians 16+ travelled outbound (all types  
of travel except business, study, shop tours)



# What lies behind the average expenses growth in 2016?

Split between tourists with different expenses scales, %



IN 2016, AVERAGE SPEND INCREASED WHILE THE TOTAL NUMBER OF TRAVELLERS DECREASED. BUDGET TRAVELERS WITH A BUDGET OF LESS THAN 635\* EURO/PERSON REDUCED WHILE THOSE WITH BUDGETS ABOVE 635\* EURO / PERSON INCREASED

\* Counted as 40 000 ₺ at rate 1€= 63₺ as of 13.03.2017

■ Above 40 000 RUB per person

■ Less than 40 000 RUB per person

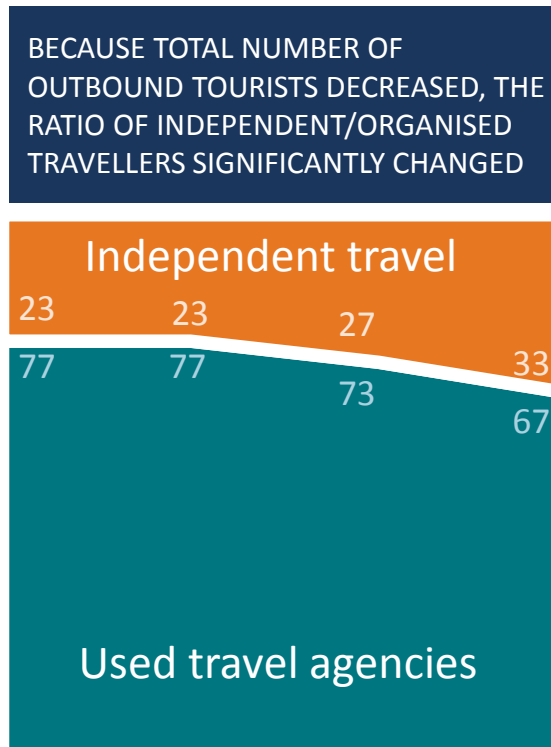
Source: Ipsos Comcon. [RosIndex](#)  
Base: Russians 16+ travelled outbound (all types of travel except business, study, shop tours)

# **Independent travel vs Travel agency**

# Travel agency or independent booker?



Source: Ipsos Comcon. [RosIndex](#), 2013 - 2016  
Base: Russians 16+ travelled outbound (all types of travel except business, study, shop tours)



2013

2014

2015

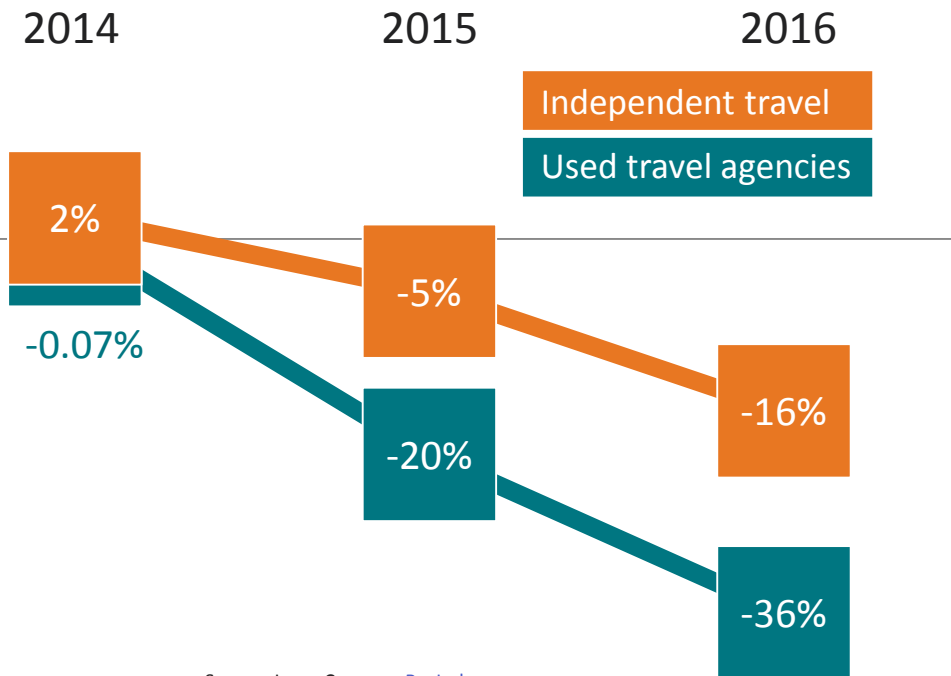
2016



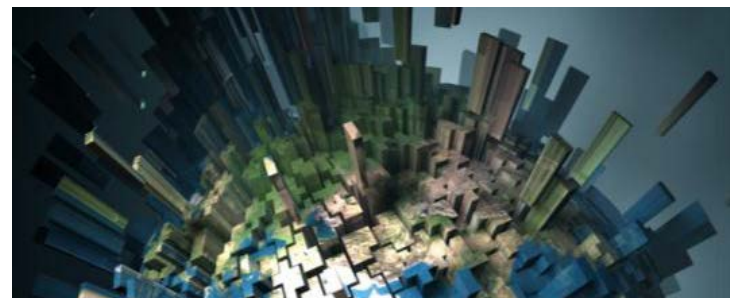
GAME CHANGERS



# Independent travel abroad fell less than organised travel in 2016

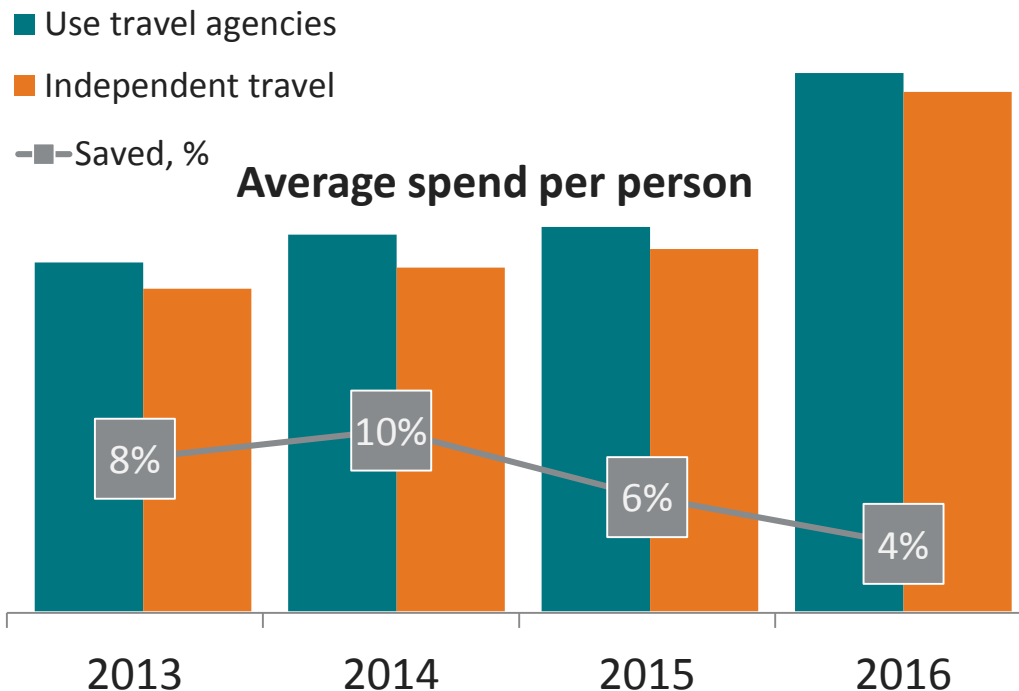


NUMBER OF INDEPENDENT RUSSIANS TRAVELLED ABROAD FOR LEISURE DECREASED BY 16% IN 2016 COMPARED TO 2015. BUT DUE TO THE FACT THAT THE NUMBER OF THOSE WHO DEPARTED OFFICIALLY DECREASED MUCH MORE - BY 36% OVER THE SAME PERIOD, INDEPENDENT TOURISTS NOW OCCUPY ONE THIRD OF ALL OUTBOUND TRAVEL MARKET, WHEREAS A YEAR EARLIER THEY WERE ONLY 27%, AND IN 2013 - 23%.



Source: Ipsos Comcon. [RosIndex](#)  
Base: Russians 16+ travelled outbound (all types of travel except business, study, shop tours)

# Independent travel is not about saving money But about getting more value



THE DIFFERENCE BETWEEN THE AVERAGE COST PER PERSON FOR AGENCY-ORGANISED TRIP AND INDEPENDENT TOUR IS JUST ~ 2,000-3,000 RUB (4% IN 2016). THIS IS NOT TOO MUCH SAVINGS, PROVIDED THAT THE SELF-TRAVELLER DOES A GREAT JOB TO ORGANISE A TRIP. ANALYSIS OF FACTORS OF CHOICE ALSO PROVES THAT THE PRICE FOR AN INDEPENDENT TRAVELLER IS A SECONDARY FACTOR.

Source: Ipsos Comcon. [RosIndex](#)  
Base: Russians 16+ travelled  
outbound (all types of travel except  
business, study, shop tours)

Let's summarise...

# Independent travel

## *Experiential travel*

- Ready to lose some comfort to get as more experience and freedom as possible
- Tend to go on 2+ weeks trips or short ones for a couple of days
- Choose hotels only in half of cases
- More often travel alone
- More often use a car to travel
- More tend to sports activities, including extreme sports



# Travel agency

## *Easy travel*

- Want to get the most of value for their money (even for the smallest possible money)
- 1.5-2 weeks is common trip length
- Stay in hotels (not in hostels)
- Easy logistics, easy food, no uncertainty
- Less troubles with foreign language



# EASY COME, EASY GO?

TRAVELLERS WHO DO NOT MAKE A BIG  
EFFORT TO ORGANISE THEIR TRIP,  
REFUSE TO TRAVEL MORE EASILY

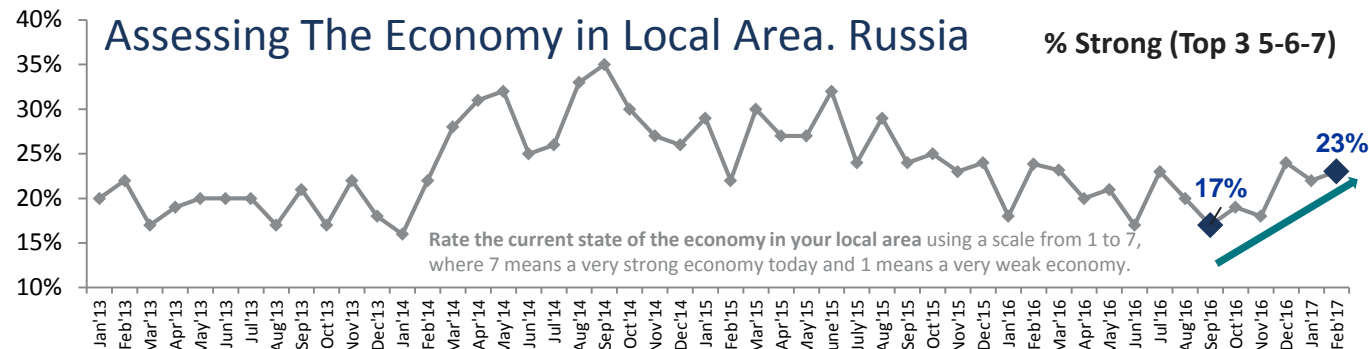


# Outlook for 2017

## Is there light at the end of the tunnel?



# Signs of improvement in economy



The survey is conducted monthly in 26 countries around the world via the Ipsos Online Panel system.  
Sample size in Russia = ~500+, aged 16-64

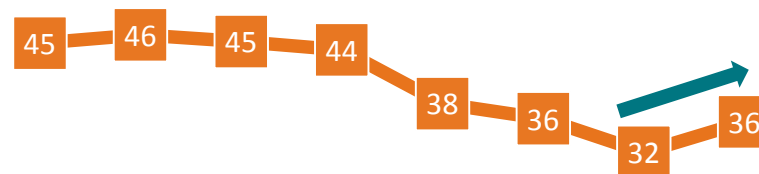
Due to Online method Russia produces a national sample that is more urban & educated, and with higher incomes than their fellow citizens. We refer to these respondents as "Upper Deck Consumer Citizens". They are not nationally representative of their country.



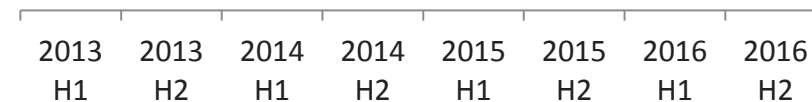
# Financial Self-estimation also improves

Financial situation self-estimation scale	Target Audience for Outbound Travel
Have no financial difficulties	YES
Have enough money for everything except for real estate purchase	YES
Have enough money for large household appliances	YES
Have enough money for food and clothing but not for large household appliances	no
Have enough money for food but not for clothing	no
Hardly have money for food	no

## TOP3 fin. self-estimate



**In 2016/H2 financial situation of Russian households stopped falling and came back to 2015 H2 level**



Russian Households. Financial self-estimation TOP3 (Have no financial difficulties or Have enough money for everything except for real estate purchase or Have enough money for large household appliances)

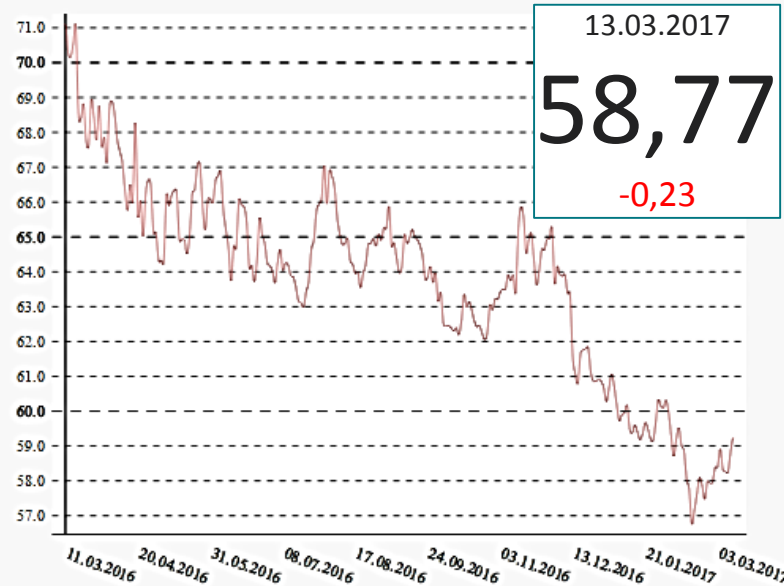
Source: [RosIndex](#), 2013-2016

# Euro and USD rates moves down within a year

## Euro rate (-20% in 2016)

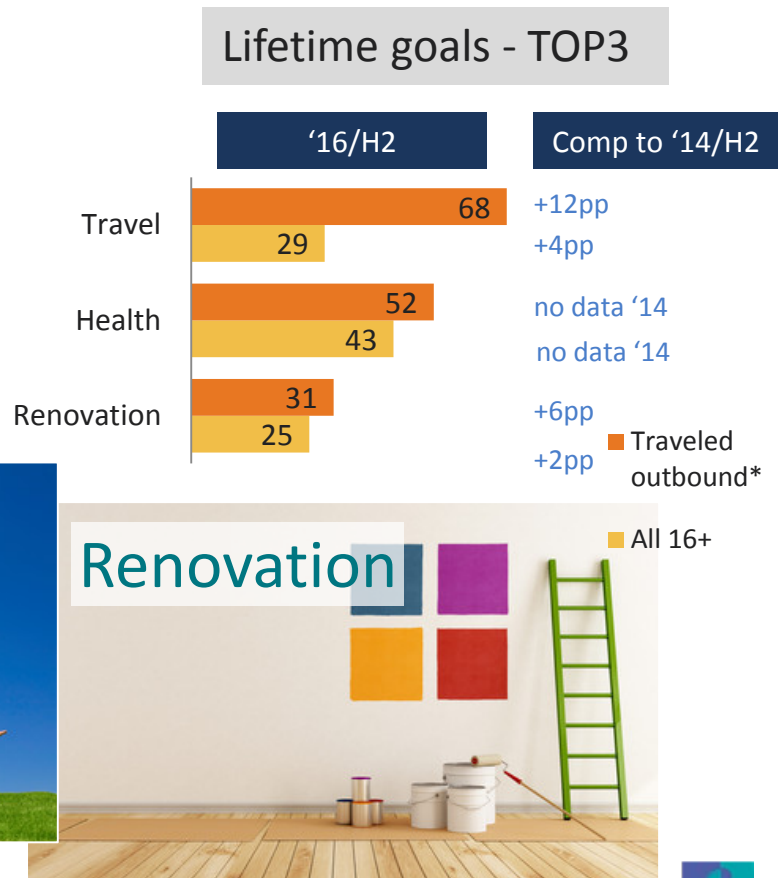


## USD rate (-16% in 2016)



# Does anybody know what we are living for?

/Queen. The Show Must Go On/



Source: Ipsos Comcon. [RosIndex](#), 2016/H2

\* All types of outbound travel except business, study, shop tours. N=11327

THE SHOW  
MUST  
GO ON!





## **Mila Novichenkova**

Marketing and  
Communications Director

✉ mila.novichenkova@ipsos.com