SYTA
The Voice of Student & Youth Travel®

Student Travel

BUSINESS BAROMETER

GLOBAL INSIGHT REPORT

INTERNAL PROJECT ASSESSMENT

BONARD

Background

This research paper was prepared by BONARD, an independent research provider specializing in global youth and student travel mobility. It summarizes additional insights gathered as part of the Student and Youth Travel Association's (SYTA) Student Travel Business Barometer, curated and administered by BONARD. Market intelligence contained within this report will deepen SYTA leadership's understanding of the global market landscape, and its structure and dynamics. It also allows comparisons to be drawn between SYTA membership and the rest of the market.

The Student Travel Business Barometer was devised as the first-ever attempt to survey SYTA's member student tour operators (STOs), as well as tour operators and travel agencies around the world, on a quarterly basis. The Barometer was a thorough research exercise, which established a business performance benchmark for the industry.

The survey featured a combination of key mobility data broken down to months, trend data (quarter-to-quarter comparisons), trip type, and destination preferences, as well as forecasting. Each quarter also introduced a bespoke section, which tuned into the most pressing issues at a given time.

Project deliverables included:

- Four quarterly reports depicting monthly performance data and key insights;
- Annual report summarizing the results of this year-long initiative and elaborating on the most salient trends.

Note: Qualitative market intelligence presented herein is designed for SYTA's internal consideration. Insights are based on individual conversations and interaction with non-SYTA STOs.

Project in Numbers

131 — SYTA member STOs approached (managed by SYTA)

149 — Unique STOs

1.8 m — Traveling students covered

426 — Non-SYTA member STOs approached (managed by BONARD)

57 — Unique SYTA members

203 — Total responses*

26 — Countries represented

* The response rate in the merged Q3 and Q4 survey by international STOs was impacted by the Covid-19 outbreak.

Global Exposure

In addition to SYTA membership, BONARD built a database of 426 tour operators representing 36 countries across the globe, to be surveyed as part of the project.

As a knock-on effect of the Barometer project, SYTA was, therefore, exposed to the global community on multiple occasions. During project execution, SYTA was made visible to travel operators and agencies in Asia Pacific, Europe, and North and Latin America. The outreach profiled SYTA as a global advocate for student travel, research, and standards development.

The research team made a considerable effort to ensure the highest participation levels possible. Through a staged approach, multiple points of contact with prospective respondents were established – first to raise awareness about SYTA and the project itself, then to distribute a formal invitation and a series of reminders.

1,500+

EMAILS WERE SENT

1,200+

FOLLOW-UP CALLS WERE MADE

Data Collection

The survey was carried out in the form of an online questionnaire. To facilitate participation, the questionnaire was translated into Chinese and German. Each invitation to participate was followed up by personalized calls conducted in Chinese, English, French, and German. These calls helped explain SYTA's roles, educate prospective respondents about the value of the research, and build trust.

Besides individual businesses, travel associations in Germany (Bundesforum Kinder- & Jugendreisen) and Ireland (Fáilte Ireland) were also approached, to enhance top-down participation. The activities of SYTA, as the voice of student travel, and the benefits of the Barometer were outlined during interactive online meetings between the stakeholders, and SYTA and BONARD representatives.

Overall, the project was well received; however, due to the unfolding Covid-19 pandemic, positive endorsement could not be turned into a tangible output (i.e., survey re-distribution).

Further meetings with international stakeholders and the media were planned to be held at the ITB Berlin tourism convention in March 2020, which was later cancelled. To facilitate effective communication with the visitors to the convention and media representatives, a one-page 'Student Travel Business Barometer at a Glance', as well as a press release detailing the project in German, had been prepared.

Following the Covid-19 outbreak, data collection for the merged Q3 & Q4 survey was paused between March and April, and resumed and concluded in May 2020.

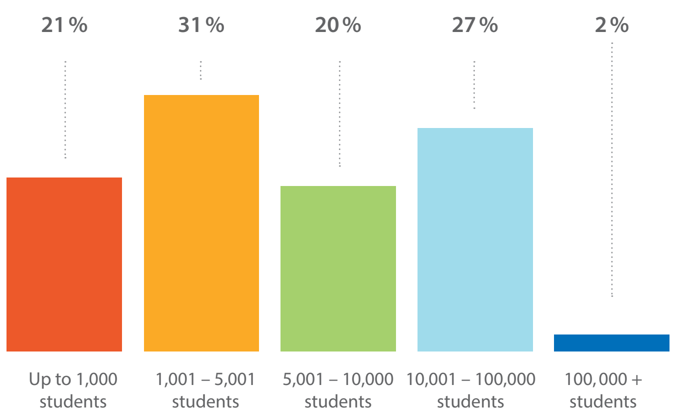
Global Market Overview and Structure

The research collected important data on market structure and, as such, helped create an overview of the STO landscape. Of 557 STOs invited to participate in the research, 148 provided details about the student volume they catered for (respondents were queried about 2018 as the latest statistically closed year at the time the research was carried out).

Cumulatively, they served 1.8 million students in 2018.

STOs by number of students sent on domestic trips in 2018

For domestic travel, STOs sending up to 10,000 students per year on domestic trips constituted more than two thirds of the market, with a 72% share. Twenty-seven percent of survey respondents moved between 10,000 and 100,000 students per year, while 2% catered for more than 100,000 students a year.



12,697

Average sending power of tour operators/agencies

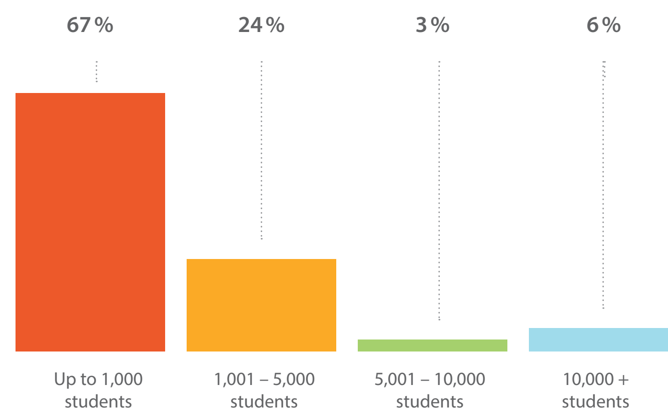
1,485,491*

Cumulative number of students traveling domestically in 2018

* The number was computed based on the inputs provided by 117 respondents. Not all respondents were able to provide this data.

STOs by number of students sent on trips abroad in 2018

For international travel, 67% of STOs sent up to 1,000 students abroad, 24% of respondents sent between 1,000 and 5,000 students, and 3% of respondents moved between 5,000 and 10,000 students. As many as 6% catered to more than 10,000 students per year.



4,001

Average sending power of tour operators/agencies

352,066*

Cumulative number of students on international trips in 2018

* The number was computed based on the inputs provided by 88 respondents. Not all respondents were able to provide this data.

Note: Rounding accounts for any percentages not exactly adding up to 100%.

Industry Feedback on Critical Global Issues in 2019

Safety

Customers continued to place financial and content aspects as their top priorities in 2019. Nonetheless, health and safety has become a top global concern in 2020 and the tourism industry will have to turn this massive new challenge into meaningful change in order to regain trust from their customers in a post-Covid travel world.

Drawing a comparison between SYTA membership and other STOs, **SYTA members claimed to be better prepared for critical situations.** When surveyed in June 2019, prior to the Covid-19 outbreak, 54% of SYTA members said safety and risk management did not represent a challenge, while 59% of international STOs admitted difficulties handling safety and risk requirements. Furthermore, 57% of SYTA members implemented new safety procedures in 2019, of which almost 90% prepared a crisis management plan in the last 12 – 24 months. This compares with 45% and 66% of non-SYTA members, respectively. Increasing demand for safety assurances and the need for global recognition of safety management were more often reported by SYTA members than by non-members.

Role of Technology

Results reveal that all STOs make use of mobile applications and social media to communicate with school, parents, and also students during trips.

A consensus was noted in relation to using GPS and devices that track students during trips. A majority of both SYTA and non-SYTA affiliated respondents did not use GPS and devices that track students during trips. The latest global shifts in the use of technology sparked by the outbreak of Covid-19 show that technological progress will likely play a more important role in tourism than was previously expected. Working remotely, going online, using technological gadgets and applications, digital payments, telehealth and robotics – these technologies facilitate curbing the spread of the coronavirus and will help make society more resilient in the face of the current pandemic and its aftershocks.

Sustainability

Neither SYTA members nor non-members recorded high demand from customers for sustainable elements in group travel. Furthermore, both noted consumers' reluctance to bear the higher costs incurred by such elements if included in a trip itinerary.

More than 90% of all respondents did not follow the U.N. Sustainable Development Goals at the time the research was conducted, with 30% expressing no interest in doing so. **The only operators that are already following the U.N. goals are SYTA member STOs.**

In light of the repercussions of Covid-19 on sustainable development, the U.N. has called for a scaling-up of the response to suppress the spread of the virus, saying that a swift 'response and joint action on the ground' to help the most vulnerable countries and communities is more necessary than ever.

Neither should the ongoing climate debate be overlooked. Following a rise in global commitments to more environmentally-friendly travel behavior, some tour operators cancelled their promotions of long-haul destinations and replaced them with ones that are reachable by more eco-friendly means of transportation than air.

Based on the responses, the results position SYTA as a progressive force within the industry. In the coming years, particularly in light of the effect of a pandemic, the industry is likely to be urged to reconsider travel habits and incorporate more sustainable elements into travel experiences. However, the financial aspects of such travel will still play a crucial role.

89% SYTA members 66% non-SYTA member STOs	have a current crisis management plan (prepared in the last 12-24 months).
Safety and risk management represent challenge to	46% SYTA members. 59% non-SYTA member STOs.
57% SYTA members 45% non-SYTA member STOs	have implemented new safety procedures in the last 12 months.
An increasing demand for safety assurances from the customers was noted by	62% SYTA members. 52% non-SYTA member STOs.
78% SYTA members 68% non-SYTA member STOs	are seeing a need for global recognition/ understanding of safety management.

Key Learning Outcomes Stemming from Interactions with SYTA Non-members

The average response rate of 12% represents an above-average result, compared to the standard of 5%-7% (self-selected sample where the respondents identify themselves). **At the same time, tour operators welcomed the Barometer and were keen to employ this type of source of business intelligence; however, they were reluctant to contribute themselves.**

Non-SYTA member organizations were hesitant to share business data for a variety of reasons, namely:

- The nature of the data requires a senior staff member to complete the survey;
- Internal confidentiality clauses do not allow data to be disclosed;
- Respondents do not have data in a ready-to-submit format;
- Time;
- Lack of affiliation with the industry.

Considering tour operators' need to know about their closest competition operating within the same culture and regulations, respondents would appreciate national breakdowns rather than a global benchmark and overview (which were important for SYTA and the industry as overall, as it aimed to fill the void in terms of global measurement). At the same time, in order to perform such national analyses, a substantial response sample is necessary to represent the market thoroughly.

As was shown previously, topics such as safety, technology, and sustainability were not of particular interest among non-SYTA member STOs (or their customers, as seen from the mediated research). New research should pick up on concepts that resonate with respondents more and direct the focus of the questionnaire toward acute concerns and issues that stakeholders are dealing with.

Periodicity of data collection is another aspect to be considered carefully. Regular quarterly data collection collides with the most travel-heavy months for tour operators, those being March, April, May, and June.

Future Outlook and SYTA's Positioning Globally

The Covid-19 outbreak brought tourism to an absolute standstill and had a major impact on both jobs and growth within the sector. Nonetheless, both national and international associations active in the broader youth and student travel industry continue their research programs as they maintain momentum and need to see how businesses fared in 2020.

In the case of student group travel, market intelligence is relevant to what is largely an under-documented sector. In the current setting, stakeholders do not seek out standard business intelligence data as it is not relevant (travel bans and existing uncertainty do not allow for planning). Aggregated data illustrating business development is still needed, but in a different shape. For a new research approach, one possible solution is to move away from the Business Barometer model and adopt a less rigid approach.

The questionnaire should not ask for absolute numbers in fixed periodicity but should, rather:

- Target market development data that deliver y-o-y changes (percentages instead of absolute figures);
- Lock in on market sentiment that builds upon stakeholders' perception of the situation at a given time and expectations for the future;
- Identify best practices;
- Ask about concerns and issues that respondents face so these may be addressed by the association;
- Collect data less frequently in line with industry feedback and expectations; twice a year is suggested as a maximum.

While the survey asked about student travel indicators that are basal to each operation (e.g., number of students traveling by month), absolute numbers proved difficult to obtain for the reasons stated above.

To continue, the forthcoming 2020 survey will target SYTA members ('senders' and 'receivers' alike) and measure the impact of Covid-19 on student travel (with a focus on the economic impact). The final report will draw conclusions from primary and secondary research and will emphasize the benefits of booking trips via reliable STOs, pointing to losses that teachers incurred vs. the high ratio of fully-refunded clients of SYTA member STOs.

Reflecting on industry feedback, the stage of maturity of the industry, and other factors (e.g., businesses' internal confidentiality clauses), it is advised that 2021 surveys measure industry sentiment. Questions will be designed to map changes in the industry brought about by Covid-19, and to monitor the behavior and views of consumers (mediated research by tour operators).

Overall, to facilitate SYTA's ambition to go international, research initiatives will be designed to complement this expansion and continue presenting SYTA as a go-to-association for education, support, and advocacy.

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