Research & Analysis of the current situation of Tour Operators & Travel Agencies in Brazil and LATAM

GVA Norway

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Executive summary

The Research & Analysis of the current situation of Tour Operators & Travel Agencies in Brazil and LATAM was conducted from the end of May to early June 2022. During this time we invited more than 500 agencies and operators from Argentina, Colombia, Chile and Brazil to participate in the survey powered by Norway and Global Vision Access.

In general, the study was very well received and we had positive responses when it came to completing the survey, an act not minor since we are in the middle of a process of resuming sales and actions by the players in the tourism industry, in the face of an uncertain context and a current situation that is difficult to face due to lack of team, equipment or investment.

For this reason, we understand that the survey participants really have interest in the destination and want to know more about it, this makes the results obtained with the surveys qualified and present a great potential for destination Norway.

In this document, you will find a comprehensive analysis of the results of this study together with an overview of all the main markets in South America (Brazil, Argentina, Chile and Colombia).

In addition, contact lists will be provided with information on key Tour Operators and Travel Agencies' contacts in Brazil and Latam.

We hope Norway and local partners will benefit from all the information gathered and based on them, create joint strategies and actions that will secure better ROI from the Brazilian and LATAM markets.

Summary of the market situation - Brazil & LATAM

	Economic and political situation	Tourism Industry	Tourist profile
Argentina	According to the World Bank, Argentina is one of the largest economies in Latin America, with a GDP of approximately US$490 billion. Economic activity has recovered with a 10.3% increase in GDP in 2021. By the end of that year, the economy was 5% above the pre-pandemic level of activity.	In the current post-pandemic scenario, travel demand is expected to be oriented to domestic tourism or nearby destinations, preferably outdoor activities, low density, where there is access to sanitary infrastructure.	Travelers opt for short trips and to nearby destinations, preferably including outdoor activities. Having flexible reservations and the possibility of paying in installments are crucial for the new turist, and, for some, the ideal is to stay in places where they can cook for themselves and avoid crowded places.
Brazil	Brazil's economy has experienced a slow but steady recovery in recent years. In 2021, GDP is estimated to have grown by 5.2%, driven mainly by the gradual reopening of the economy and rising commodity exports. South America's largest economy is expected to grow at a slower pace in the coming years, with the IMF forecasting GDP growth of 1.5% in 2022 and 2% in 2023.	Although not many foreigners choose the country as a tourist destination, Brazilians themselves do choose to travel within Brazil. The travel market is slowly recovering, in the first quarter of 2022 there was a growth of 42.2% compared to the same period of 2021. Throughout the country lodging places have started to make improvements to their spaces.	The Brazilian travelers plan their trips more, prefer nearby and short-duration destinations, opt for travel as a couple and advance online bookings. In terms of foreign travel, the most popular destinations are Europe, the United States and Argentina. As a result of the pandemic, biosecurity protocols have become more important for tourists, opting for providers and destinations that have seals and certifications.
Colombia	The GDP grew 8.2% in the first quarter of 2022, influenced by activities such as commerce, transportation, manufacturing industry, and artistic activities. According to the International Monetary Fund, Colombia will continue on the growth path until 2027.	In recent data, between January and March of this year, 914,882 non-resident visitors arrived in Colombia, an increase of 219.9% over 2021. There was an increase of 142.4% -with respect to 2021- of Colombians who decided to travel outside the country.	Colombians prefer to travel with their families. As a result of the pandemic, tourists require flexible policies in terms of cancellation and changes in their reservations. The vast majority choose to seek advice from a travel agency.
Chile	GDP grew by 11.7% in 2021 (one of the fastest recoveries in the world), contributed to a rapid "normalization" of economic activity by a rapid vaccination rate, the labor market recovery was slower, 60% of the jobs lost in 2020 were recovered in 2021.	Chile is beginning to approach pre-pandemic figures. During the February-April quarter, 118,275 jobs were created in the tourism sector, which is equivalent to an increase of +11.5% compared to 2020. In accommodation and food service activities, the year-on-year increase is 31.6%.	The vast majority of Chilean tourists are in favor of the reactivation of tourism, and prefer to go to domestic destinations.There is also a preference for traveling as a couple or family, rather than alone. In age ranges, travelers are on average people between 25 and 44 years old.

Analysis of collected data: Survey Brazil & LATAM

Survey Brazil

- Total agents surveyed: 205
- Total operators surveyed: 35
- OTA: 1
- Incentive Travel Agencies: 3
- Travel agencies with own product: 14

Total number of surveys: 258

> **53%** had a higher percentage of sales to **international destinations**

> **Europe** is one of the most selected regions as a destination (31,47%)

> The **Nordic countries** represent **25.32%** of the total sales volume.

Survey LATAM:

- Total agents surveyed*: 39
- Total operators surveyed*: 25
- OTA: 1
- Incentive Travel Agencies: 1
- Travel agencies with own product: 3

*Argentina: 85% Chile: 10% Colombia: 5%

Total number of surveys: 70

> **Sales to international destinations** represent approximately **55%** of the company's sales volume,

> **Europe** is one of the most selected regions as a destination (22.39%)

> The **Nordic countries** represent **3,18%** of the total sales volume.

Traveler profile

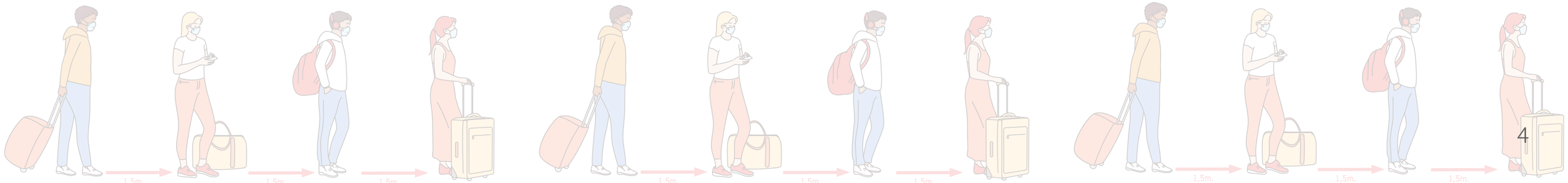
In both surveys, the predominant gender of tourists is **female**, belonging to **generation X** (40 to 56+ years old).

In the case of Brazil, **traditional destinations** are the most important for agencies; in LATAM, **beach destinations a**re the most important.

In both cases, agencies choose to offer destinations that have: **Nature and disconnection, art & culture, gastronomy and active tourism.**

The majority of tourists from both markets prefer to **travel as a family or couple.**

Brazil	LATAM
43.74% of the travelers are men 58.64% are women, 56.90% belongs to Generation X (40 to 56+) 35.59% belongs to Generation Y (25 to 39).	44,52% of the travelers are men 55,16% are women 57.74% belongs to Generation X (40 to 56+) 32% belongs to Generation Y (25 to 39).
Traditional destinations 60.99% Beach destinations (59.64%) Snow destinations (36.77%).	Beach destinations 60%, Traditional destinations 50% Exotic destinations 23,33%.
Disconnection and nature (31,67 %), Art and Culture (41,89 %) Gastronomy (43,89 %), Active tourism (32,27 %), Romance (35,29 %) High end experiences (35,75 %).	Disconnection and nature (56,67 %) Art and Culture (36,67 %) Gastronomy (30,51 %) Active tourism (26,67 %) Romance (22,41 %) High end experiences (23,33 %).
Preference to travel accompanied by the family (44,93 %), by a partner (40,97 %), or by a group of friends (46,70%).	Preference to travel accompanied, either by family (43,55 %), by a partner (37,10 %), or by a group of friends (56,45%).



Destination offer

In both cases, more than **30%** of respondents **already offer the destination** and more than **50% plan to offer it in the near future.**

Generally the destination is sold as part of a **tour in Europe** or in the **Nordic countries**, mostly during the **summer season**. Average days spent exploring the destination: between **5 and 10 days**.

The most explored regions are **The Fjord Region, the Northern Region and Oslo.**

In both cases, the vast majority of respondents **do not work with a local operator** and **would like to receive destination training.**

Brazil	LATAM
35.45% currently offer the destination.	**34.92% currently offer the destination**
55.00% are interested in offering the destination.	50,79% are interested in offering it.
Comments: Request of anticipating promotions, receiveing training and information about Norway.	
81.94% sell the destination as part of a tour of the Nordic countries 38.89% sell it as part of a tour of Europe. 77.03% sells travel to Norway during the summer, 37.84% sells it during spring , 27.03% during autumn and 22.97% during winter.	26.39% sell exclusive packages to Norway. Only 6.94 % indicated that their clients also prefer cruises in Norway. 57,14% sells travel to Norway during the summer, 52,38% sells it during spring , 33,33% during autumn and 33,33% during winter.
• Fjord Region (61.33%), • Northern Region (33.33%) • Oslo (35.62%).	• Oslo 66,67% • Fjord Region 61.90% • Northern Region 66,67%
78.57% do not currently work with a local supplier **17.86% work with a local supplier** Mentioned local suppliers: Borealis and Try Norway. *Many respondents were travel agents not working directly with local suppliers	52,38% do not currently work with a local supplier and **28,57% do work with a local supplier** Mentioned local suppliers: VOS, Tour partner group, Borealis and Body & Soul. *Many respondents were travel agents not working directly with local suppliers

Travel industry future

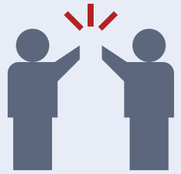
> In both surveys, **more than 90% o**f respondents believe that digital actions **help** their performance and professional growth as agents and operators.

> Approximately **35.51% think** that **non-conventional destinations** will be the **protagonists** of the trips demanded by tourists

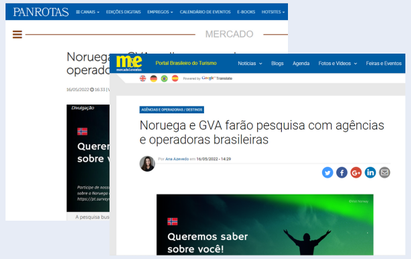
> **About 25%** think that there will be more need for investment in new technologies

> **About 22%** think that more **joint projects** and industry cooperation will be necessary in the future.

Conclusion



> The survey was very well received and had **great engagement** despite the fact we conducted it in the middle the **travel rebound movement!**



> The survey was also a **great PR opportunity** for Visit Norway. We were able to secure several articles in the main trade publications and posts on social media channels, here are some examples:
- Panrotas
- Mercado & Eventos
- BureauMundo
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> The survey will be open for trade professionals that could not answer during the time of the campaign but still wants to share with us their business profile until the end of 2022, when will be sent an updated report to Visit Norway and local partners on the results of this activities.

Thank you!

We hope that the results obtained from this study will be to your satisfaction and that you will be able to glimpse a future potential for the Norwegian destination in our markets.

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