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Matching France's tourist offering with international demand

Designing policies to boost the tourism sector

Almost two-thirds of foreign tourists are highly satisfied with their stay in France, the world's number one tourist destination. Tourists from the more time-honoured markets, such as Europe, Africa and North America, seem slightly more smitten with France than their Asian counterparts, for example. There are some important factors however, that, on a like-for-like basis, can have an adverse effect on tourists' enjoyment of their stay in France. They include their experience of town visits, hotel accommodation, the summer season and short-term stays. However, those who spend above the median level when they visit France are more likely to be very pleased with their stay in the country. Unlike tourists from the more time-honoured markets, visitors from Asia, China and India, for example, are more satisfied by their first visit to France than by subsequent visits.

With more than 80 million tourists each year, France is the world's number one tourist destination. 85% of foreign visitors to France are from Europe *(see Chart 1)*. Tourists hailing from the Benelux countries, Germany and the UK together account for over half of the tourists who make their way to France.

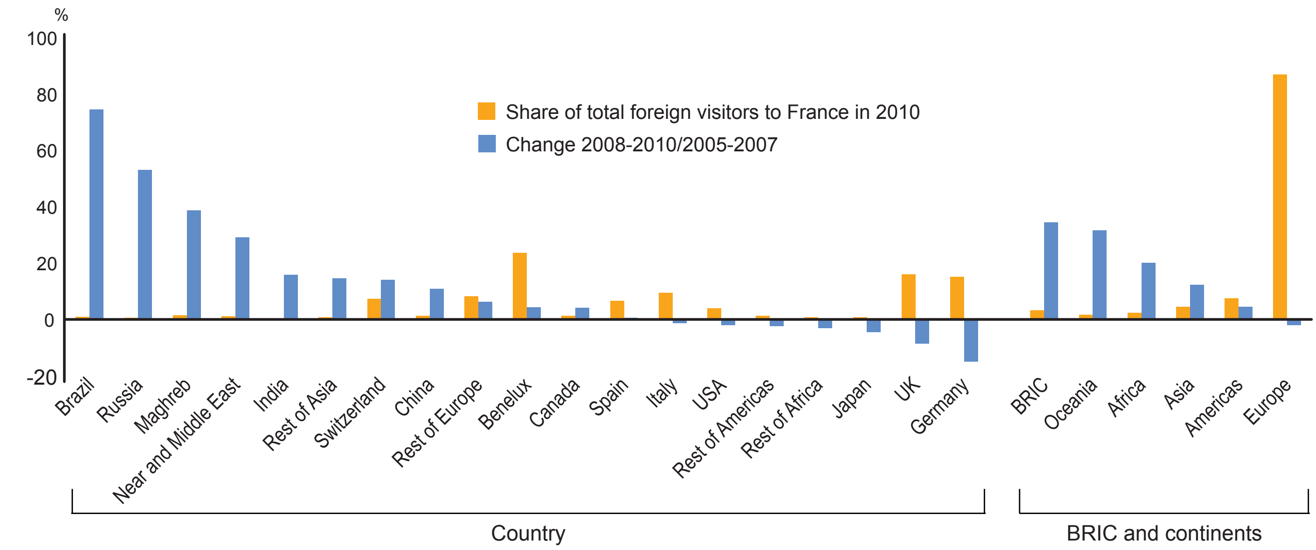
The tourism sector is nevertheless undergoing radical change: thanks to economic growth, emerging economies are having a significant impact on the tourism market's swings in supply and demand. Policies to promote tourism must therefore be adapted to deal with this changing landscape. To this end, in-depth knowledge of international clients' expectations is a must, particularly those from the BRIC countries (Brazil, Russia, India and China). The EVE *(L'Enquête auprès des Visiteurs venant de l'Étranger)* Survey of foreign tourists to France carried out jointly by the Directorate General for Competitiveness, Industry and Services (DGCIS) and the Banque de France has provided some essential data on this point.

Tourists from traditional European markets are highly satisfied with their stay, visitors from BRIC countries less so

Foreign tourists give a positive overall opinion of their stay in France, with 62% saying they were "very satisfied", and the great majority (91%) of the remainder saying that they were merely "satisfied".

The first figure should nevertheless be looked at more closely. The level of satisfaction actually varies depending on where the tourist comes from. Tourists from traditional western European markets are the most satisfied, with British tourists leading the way with 68% claiming to be "very satisfied" with their stay in France. In contrast, Asian tourists are the least satisfied, with only 48% stating that they were "very satisfied" with their trip. This rate is even lower for tourists from China (39%) and India (43%). The same can be said for the rest of the BRIC countries, with "only" 50% claiming to be very satisfied with their stay in France.

Chart 1. Foreign visitors to France by place of origin



Source: EVE Survey (DGCIS, Banque de France).

First-time visitors to France not as satisfied

Whether or not tourists are visiting France for the first time is another key factor that has an important impact on their satisfaction levels. On the whole, foreign tourists discovering France for the first time (12% of total visitors) are less likely to be very satisfied (51%) compared to those returning (63%). Again, this varies widely depending on where the tourists originate from. Tourists from the traditional European and US markets are much more satisfied with what the country has to offer if they have visited in the past (this applies to most cases). In contrast, Asian tourists (excluding Near and Middle East) have a much better opinion of their stay in France when they are first-time visitors, which is true for almost half of visitors in this category and especially true for Japanese, Chinese and Indian tourists.

Turnover rate is too low...

The level of satisfaction of foreign visitors to France has a very significant bearing on their decision to return and is a key element that must be taken into account when developing policies to promote tourism. The tourist audience is not a captive one, and even those that have already visited France may grow tired of it and decide to holiday elsewhere. On the whole, only a very small percentage of tourists that have already visited France risks not returning, equivalent to 12% of the total number of foreign visitors. And although almost half of first-time visitors say that they will definitely return, they account for only 6% of total foreign visitors. Consequently, the number of first-time visitors who say they would like to return to France does not offset the number of tourists that have already visited but are not sure if they will return *(Chart 2)*. This could result in a fall in the number of returning visitors.

...even though the number of tourists from emerging economies is on the rise

Chart 2 shows that this risk applies above all else to tourists from Europe or Africa. The turnover rate for visitors from the other continents is much healthier, with a significantly higher portion of first-time visitors saying they would be keen to return compared to their European or African counterparts, outnumbering those tourists that have already visited France but are not sure if they will return. For those who are not first-time visitors to France, ensuring a healthy turnover rate is more problematic, especially for Asian tourists compared to visitors from the Americas.

A complex relationship between the type of visit and the level of satisfaction

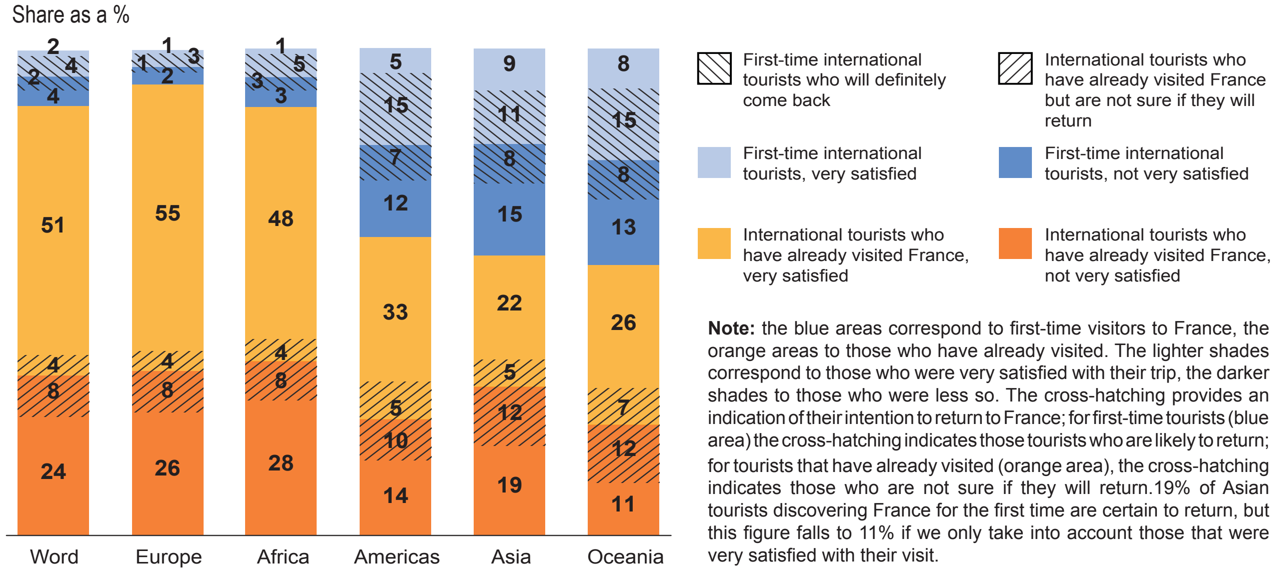
The effect that the type of visit to France (length, type of accommodation, places visited, amount of money spent, etc.) has on the level of satisfaction is difficult to measure *(in the remainder of this paper, only tourists travelling for personal reasons are taken into account)*. In terms of accommodation, for example, staying in a hotel is by far the most common option but tends to give the lowest number of very satisfied customers. It is nevertheless difficult to conclude from this information that it is the type of accommodation that contributes the least to tourists' overall satisfaction levels. Other factors may well be at play. For example, tourists who stay in hotels spend more than other tourists (hotel accommodation per night is relatively expensive); but tourists that spend the most are often the least likely to say that they were very satisfied with their stay. However, logistic regression can be used to compile statistics that describe the effects of each factor independently of the others *(see box)*. This approach highlights two points. In contrast to what a straightforward examination of the data on very satisfied tourists indicates, the logistic regression model enables us to discover that higher spending increases the likelihood that tourists will be very satisfied with their stay in France. The amount spent does not therefore explain why those who choose hotel accommodation are less satisfied than those who stayed in other types of accommodation. Second, logistic regression also tells us that foreign tourists have a lower opinion of hotels and campsites than they do of other accommodation categories.

Logistic regression also makes it possible to arrange these factors into a hierarchy of influence vis-à-vis the satisfaction levels obtained. Apart from the actual characteristics of the stay, it also takes into account where tourists originate from and whether or not they visited France previously.

Key factors that contribute most to satisfaction levels: country of origin, possible first-time visit to France, type of accommodation and length of stay

Based on the logistic regression analysis in the table above, there are four key factors in determining the level of satisfaction gained from a trip to France: where the tourist comes from, whether or not he or she has previously visited France, the type

Chart 2. Turnover of foreign tourists



Note: the blue areas correspond to first-time visitors to France, the orange areas to those who have already visited. The lighter shades correspond to those who were very satisfied with their trip, the darker shades to those who were less so. The cross-hatching provides an indication of their intention to return to France; for first-time tourists (blue area) the cross-hatching indicates those tourists who are likely to return; for tourists that have already visited (orange area), the cross-hatching indicates those who are not sure if they will return.19% of Asian tourists discovering France for the first time are certain to return, but this figure falls to 11% if we only take into account those that were very satisfied with their visit.

Source: EVE Survey (DGCIS, Banque de France), data for 2008, 2009 and 2010.

Impact of the place of origin and characteristics of the stay on the level of satisfaction of international tourists visiting France

Logistic regression (logit regression) of the probability that an international tourist will be “very satisfied” with their trip to France.

Trip characteristics			Total international tourists		International tourists that have already stayed in France		First-time international tourists	
			Estimated regression coefficients	Probability of being very satisfied: gap compared to the reference situation (percentage points)	Estimated regression coefficients	Probability of being very satisfied: gap compared to the reference situation (percentage points)	Estimated regression coefficients	Probability of being very satisfied: gap compared to the reference situation (percentage points)
Place of origin		Germany	0.27	6.04	0.29	6.42	0.20	5.08
		UK	0.29	6.55	0.30	6.76	0.23	5.69
		Italy	0.12	2.78	0.15	3.42	0.05	1.22
		Spain	-0.27	-6.65	-0.23	-5.42	-0.42	-10.32
		Benelux	Réf	Réf	Réf	Réf	0.20	4.90
		Switzerland	0.05	1.12	0.04	0.91	0.56	13.45
		Russia	0.30	6.76	0.17	3.98	0.60	14.45
		Rest of Europe	0.09	2.12	0.08	1.86	0.25	6.22
		United States	-0.10	-2.36	-0.09	-2.19	Réf	Réf
		Canada	-0.03	-0.80	-0.03	-0.76	0.12	3.06
		Brazil	-0.04	-0.92	-0.09	-2.03	0.12	2.99
		Rest of Americas	-0.08	-1.85	-0.15	-3.60	0.13	3.31
		Japan	-0.08	-1.85	-0.43	-10.50	0.29	7.24
		India	-0.43	-10.46	-1.09	-26.65	0.01	0.36
		China	-0.39	-9.47	-1.24	-30.00	0.06	1.47
		Rest of Asia	-0.44	-10.76	-0.73	-17.98	-0.01	-0.22
		Oceania	-0.06	-1.53	-0.17	-4.04	0.15	3.81
		Near and Middle East	-0.18	-4.40	-0.20	-4.76	-0.01	-0.34
		Maghreb	-0.07	-1.59	-0.09	-2.15	0.22	5.45
		Rest of Africa	-0.52	-12.73	-0.56	-13.72	-0.25	-6.15
Conditions	Main type of accommodation	Hotel	Réf	Réf	Réf	Réf	Réf	Réf
		Campsite	-0.08	-1.99	-0.11	-2.68	0.19	4.68
		Other rented accommodation	0.29	6.53	0.31	6.98	0.03	0.79
		Free accommodation	0.44	9.68	0.45	9.79	0.26	6.44
		No main accommodation	-0.04	-1.03	-0.03	-0.70	-0.12	-3.01
	Length of stay in France	Less than 3 nights	-0.26	-6.20	-0.27	-6.56	-0.27	-6.67
		At least 4 nights	Réf	Réf	Réf	Réf	Réf	Réf
	Group trip with or without all-inclusive option	Group trip, all-inclusive	-0.08	-1.91	-0.17	-4.09	N/A	N/A
		Group visit, not all-inclusive	-0.12	-2.98	-0.11	-2.72	N/A	N/A
		Individual visit	Réf	Réf	Réf	Réf	N/A	N/A
	Tourists that have already visited France	Yes	Réf	Réf	N/A	N/A	N/A	N/A
		No	-0.30	-7.25	N/A	N/A	N/A	N/A
Type	Cultural activities	Yes	-0.05	-1.12	-0.07	-1.54	ns	ns
		No	Réf	Réf	Réf	Réf	ns	ns
	Visit to leisure parks	Yes	-0.24	-5.77	-0.21	-5.12	-0.31	-7.60
		No	Réf	Réf	Réf	Réf	Réf	Réf
	Visit to relatives	Yes	0.23	5.20	0.22	4.95	0.27	6.74
		No	Réf	Réf	Réf	Réf	Réf	Réf
	Season during which visit took place	Summer	Réf	Réf	Réf	Réf	ns	ns
		Winter	0.03	0.62	0.02	0.40	ns	ns
		Other	0.09	2.01	0.09	2.16	ns	ns
	Main destination	Town	Réf	Réf	Réf	Réf	Réf	Réf
		Mountains	0.20	4.58	0.19	4.36	-0.02	-0.42
		Seaside	0.19	4.38	0.16	3.63	0.37	9.16
		Countryside	0.20	4.51	0.18	4.16	0.12	2.91
Organisation and financing	Expenditure	Quartile 1: lowest expenditure	-0.09	-2.06	-0.08	-1.85	-0.19	-4.84
		Quartile 2: low-to-intermediate expenditure	-0.11	-2.57	-0.11	-2.56	-0.04	-1.06
		Quartile 3: intermediate-to-high expenditure	Réf	Réf	Réf	Réf	-0.06	-1.55
		Quartile 4: highest expenditure	0.00	-0.02	0.00	-0.03	Réf	Réf
	All-inclusive trip	Yes	N/A	N/A	N/A	N/A	0.12	3.07
		No	N/A	N/A	N/A	N/A	Réf	Réf

Note: a foreign tourist with the reference characteristics indicated in the table (Ref) will mainly stay in a hotel when visiting France. If, on a like-for-like basis, he or she decides to use another type of rented accommodation, the probability that he or she will be very satisfied with their trip will increase by 6.53 percentage points. For any tourist, the impact the type of accommodation will have on the probability that he or she will be very satisfied with their trip is provided by the logistic regression coefficients: the extreme values taken by these coefficients are -0.08 for campsites and + 0.44 for free accommodation. For these tourists, the probability of being very satisfied will be lower in the first case but higher in the second.

ns: insignificant variable.
N/A : not applicable.

Ref: reference characteristic corresponding to the most common type of behaviour for the group surveyed.

Field: foreign tourists travelling for personal reasons only.

Source: EVE (DGCIS, Banque de France), data for 2008, 2009 and 2010.

of accommodation chosen and the length of stay. On a like-for-like basis, Russian tourists are the most likely to be very satisfied with their visit to France (although they rank only fifth in the "very satisfied" stakes vis-à-vis their stay). On a like-for-like basis, first-time visitors to France are less likely to be very satisfied with their stay. The opposite is true, however, for tourists from more far flung countries such as Japan, China or India. As regards accommodation, hotels are found to be less satisfactory than other categories. Improving the country's hotels is therefore a key challenge if we want to improve France's appeal as a tourist destination. Lastly, short trips tend to produce less satisfied customers. Exclusive trips to France should therefore be promoted over and above tours of the entire European continent to ensure that tourists are able to discover the multiple attractions the country has to offer.

Main tourist destinations, leisure parks and networks of acquaintances also play a key role

The most frequently visited tourist destinations are France's towns and cities. Nevertheless, they often have a negative impact on both first-time and repeat tourists' overall satisfaction levels. Similarly, leisure parks and cultural activities do not leave international visitors fully satisfied.

In contrast, having networks of acquaintances (e.g. family or close relatives) in France has a positive impact on the opinion tourists have of their visit. Given that there is a greater probability that these networks will boost a tourist's satisfaction levels, using word of mouth to activate them could lead to a virtuous inflow of international tourists to France.

Higher spending means greater satisfaction

Lastly, two other factors have an impact on a tourist's enjoyment of his/her holiday: 1) the amount of money spent; and 2) whether travelling as part of a group or individually. Travelling as part of a group reduces the probability that a tourist will be very satisfied with his/her stay in France. However, all-inclusive packages can help offset this. For first-time visitors to France, they are a great source of satisfaction. As regards expenditure, a straightforward analysis indicates that there is an inverse relationship between the amount of money spent and the level of satisfaction gained, and vice versa. However, the logistic regression analysis shows that, on the contrary, tourists who spend above the median level are, on a like-for-like basis, more likely to enjoy their stay. Not having to keep an eye on expenditure is an indicator of satisfaction in itself for first-time visitors.

BRIC: choices better suited to first-time visitors

Thanks to the growth in the middle classes, the BRIC countries are opening up more to international tourism. Their behaviour differs from that of their European counterparts. Regardless of their country of origin, tourists from the BRIC countries visiting France for the first time make relatively similar choices that ensure they reach a certain level of satisfaction during their actual stay. For this reason, they tend to be more satisfied than when they return for another visit. Nevertheless, these tourists are disappointed by the shopping on offer, but not by the cultural attractions. As is the case for other first-time visitors, they are more likely to enjoy their stay if they have a healthy budget. When they return to France for another visit, the choices they make are likely to reduce the probability that they will be very satisfied with their stay, a sign that the tourism offering is not sufficiently adapted to meet their expectations.

Consequently, policies in favour of promoting international tourism must take into account the different expectations of tourists from the more traditional markets and those of tourists from emerging markets, such as the BRIC countries, which still have to be conquered.

Chloé Gonzalez

Logistic regression

In this paper, we look at the key factors that influence an international tourist's level of satisfaction when visiting France (type of stay and country of origin, for example). However, these factors produce a mixed result and it is difficult to assess their individual impact on the outcome and arrange them into a hierarchy as part of a simple statistical analysis. Logistic regression helps to deal with this problem. It measures the relationship between the probability that the separate variable (here, if a tourist is very satisfied or not with his/her trip to France) takes the property "very satisfied" and a range of other explanatory variables. Logistic regression enables us to:

- identify the factors that have a real impact by eliminating those that only have an impact through other factors
- measure the individual impact of each relevant factor (on a like-for-like basis) on the level of satisfaction reached
- arrange the factors into a hierarchy based on their importance in explaining the level of satisfaction reached.

Other references

Chloé Gonzalez, Matching France's tourist offering with international demand, designing policies to boost the tourism sector", DGCIS, May 2012.

For more information:

See Etudes et Statistiques on www.dgcis.gouv.fr

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