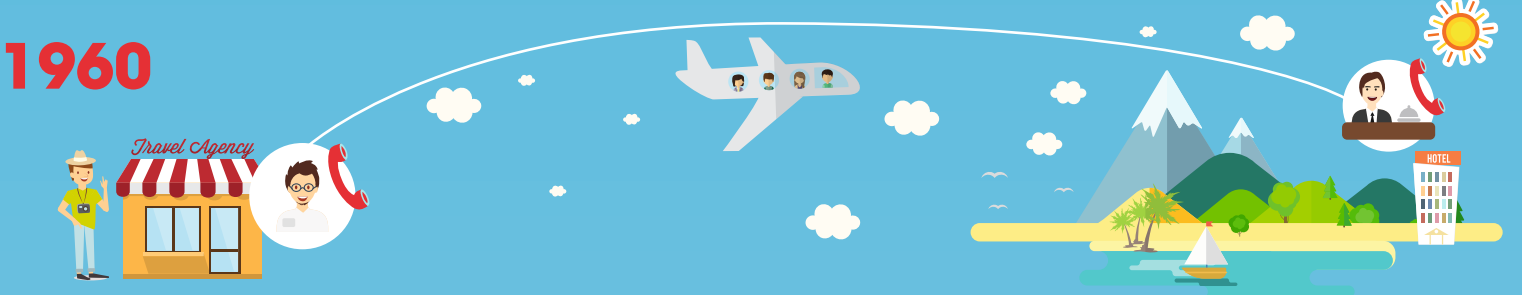


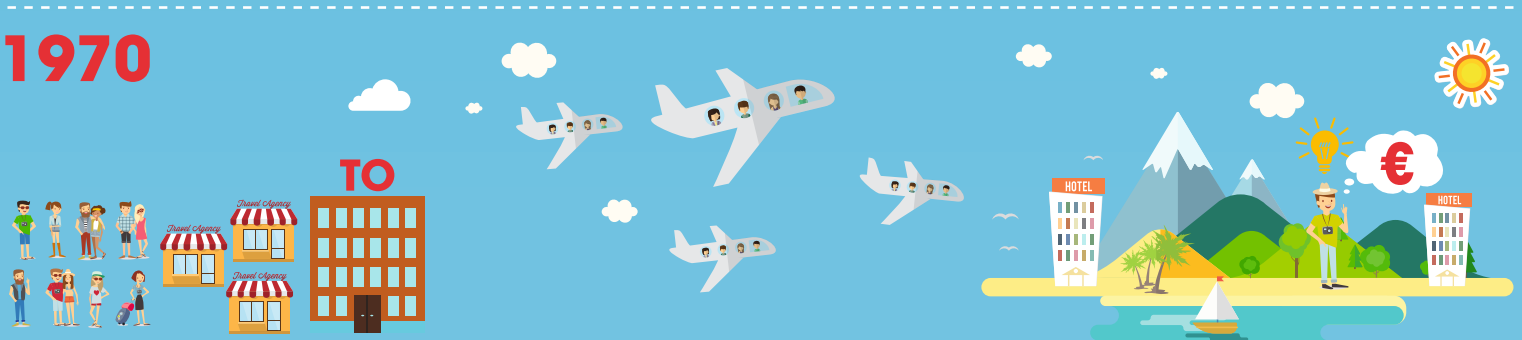
THE EVOLUTION OF MASS TOURISM IN MEDITERRANEAN SUN AND BEACH DESTINATIONS

1960



The root of Mass Tourism. Demand for sun and beach destinations started to grow. Travelers booked their holidays through small travel agencies who then contacted the few available hoteliers by phone. The Travel Agencies (TAs) had no valuable contacts on location. It was a one-way communication chain that defined the business for about a decade. There were only a few flights with a fixed schedule and restricted availability. MTS Globe is born in 1967 as Viajes de la Luz.

1970

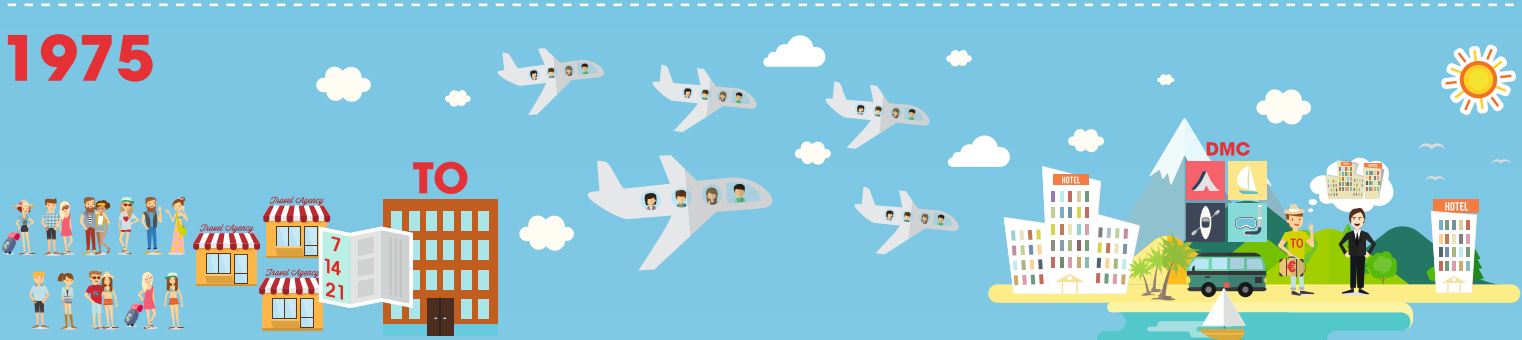


The number of tourists were now getting larger and larger. Many new TAs emerged and also the number of flights and airlines grew continuously. At this point, a new figure arose at the destinations. A local expert that spoke German or English and could assist from the destination. He managed to negotiate deals with the hoteliers and then offer these to the TAs at the source markets (the tourist's country of origin).

Those TAs, started to group together and created Tour-operators (TOs) consolidating their travel services into a solid business at production level. Many local experts used their knowledge to cooperate with these TOs.

TOs had purchasing power, a solid brand plus high level of service and quality standards. They guaranteed added value and security for the consumer which enabled them to dictate pricing and conditions to the hoteliers.

1975

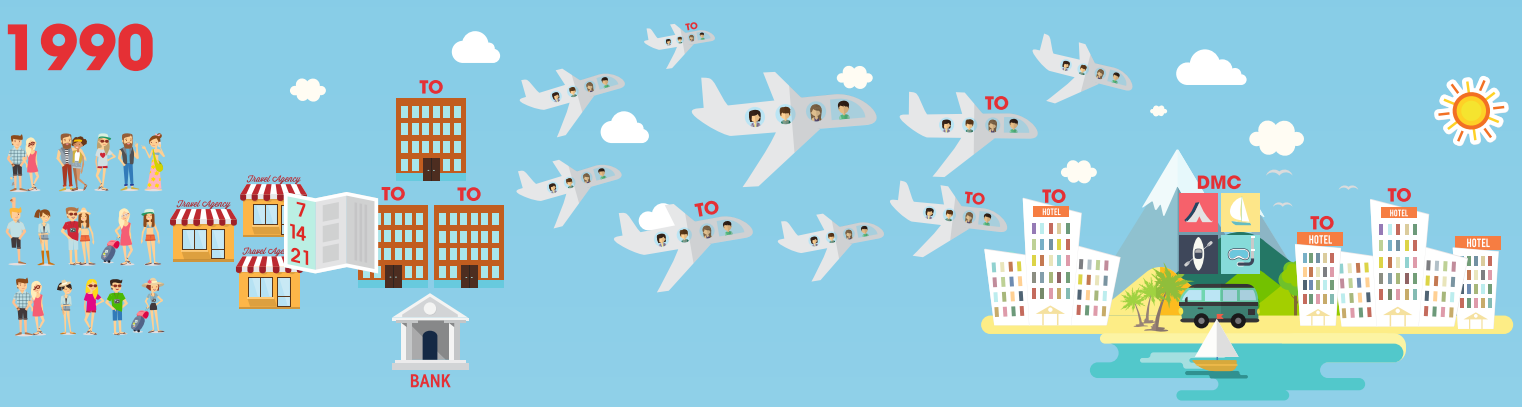


More hotels were built to meet accommodation needs and also the number of Travel Agencies and airline companies kept growing. The local experts created Destination Management Companies (DMCs) to offer a whole range of destination services: Transfers, Excursions, Car Rental, etc. DMCs closed the geographical gap between TOs and hoteliers and this meant the beginning of a new communication chain and business trend.

TOs needed to have more room capacity because of the high demand and started to buy hotels and further develop hotel chains. Meliá, Barceló, Iberostar and RIU are some examples. Around 60% of the hotel capacity built in the early 80's were financed by TOs.

Northern European countries experienced a period of growth in income and leisure time. Consequently, there were growing opportunities for international mass tourism. Fixed packages for 7, 14 or 21 days were developed and sold with the TOs controlling the price and product.

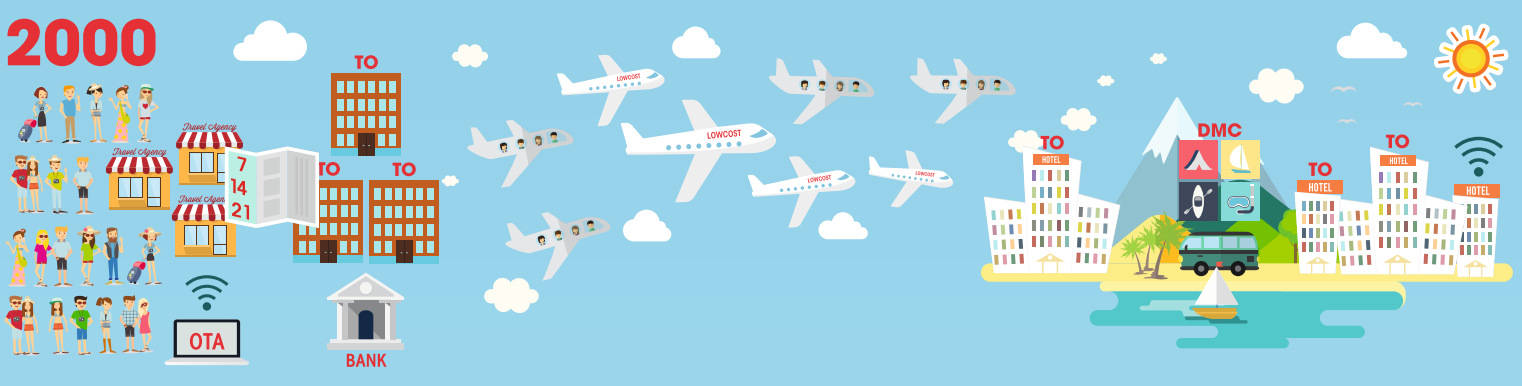
1990



Because of the oil crisis and the First Gulf War, some TOs disappeared, clearing the market. Later on, TOs started their own travel agency chains which in turn led to them needing funding. Banks started investing in them and TO's became multinational companies.

As the mass tourism business kept growing, TOs started to buy or develop their own airlines and hospitality units in destination countries. This way they increased their control over the final product: package holidays. They were now operating throughout the business chain, which included travel agencies, transportation, operations and hotel management at the destination. Axis Data is created in 1997.

2000



The internet appears and has a huge impact on the industry, leading to a shift in power relations. Hotels create their own websites, Online Travel Agencies (OTAs) are born, and to make it even more complicated low cost airlines enter the market. The digital transformation provides the end consumer a huge new range of possibilities when purchasing travel services. Foundation of OTS Globe in 2004.

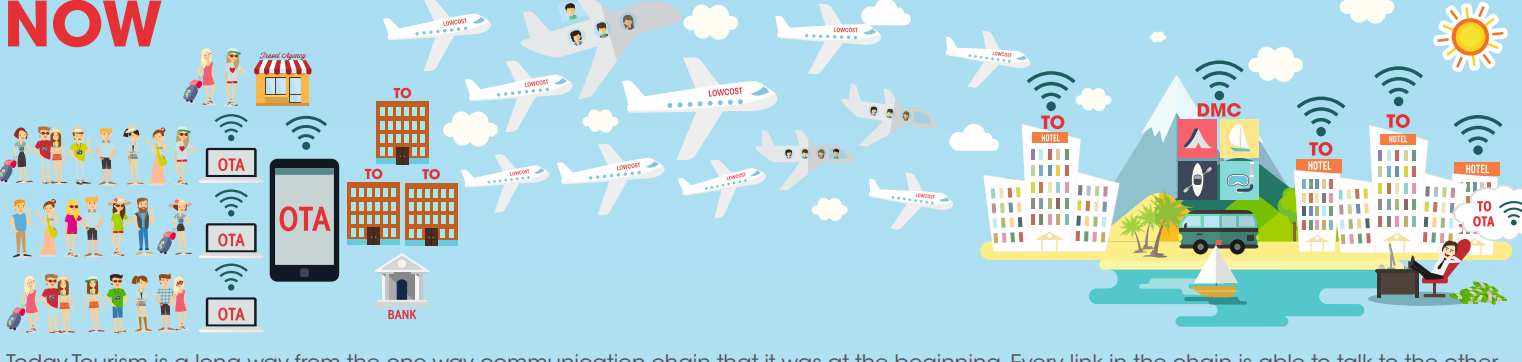
2010



Selling flights and accommodations online gets easier and easier, whether from hotel websites, TOs websites, Online Travel Agencies, meta-search engines... The cake is cut into more and more slices.

However, TOs remain powerful, especially in sun and beach destinations. Because of seasonality and the ability to move significant numbers of clients, they are able to maintain their negotiation power when signing contracts with hoteliers.

NOW



Today Tourism is a long way from the one-way communication chain that it was at the beginning. Every link in the chain is able to talk to the other link. It is a hybrid situation. All of the players, TOs, OTAs, Incoming Agencies and hoteliers, need to adopt a technology focused strategy if they want to be successful.

The hotelier is now in a privileged position as he has all relevant information online and is able to distribute and amplify his services through many different platforms according to his needs. Also of considerable importance, Google, Social Networks, meta-search engines and mobile devices are having a stronger impact on the market and are leading the future of the tourism business.