

New Horizons in Post-Pandemic Travel: Medical Tourism and Digital Nomadism

Miranda Yu, Senior Research Executive, Ipsos Taiwan

Back to end of 2022, countries around the world are gradually emerging from the shadows of the pandemic. The lifting of border restrictions has sparked a wave of revenge travel, revitalizing the aviation and hospitality industries. Singapore Airlines, for instance, has issued an enviable bonus equivalent to eight months of salary this year, meanwhile, industry estimates also suggest that the year-end bonuses for national carriers such as EVA Air and China Airlines are also expected to distribute bonus equivalent to four months of pay. While stakeholders are eager to recoup losses incurred during the pandemic, authoritative sources like The Economist and Forbes are signaling that the international wave of revenge travel may soon subside, leading to questions about the future trajectory of the travel industry in the post-pandemic era.

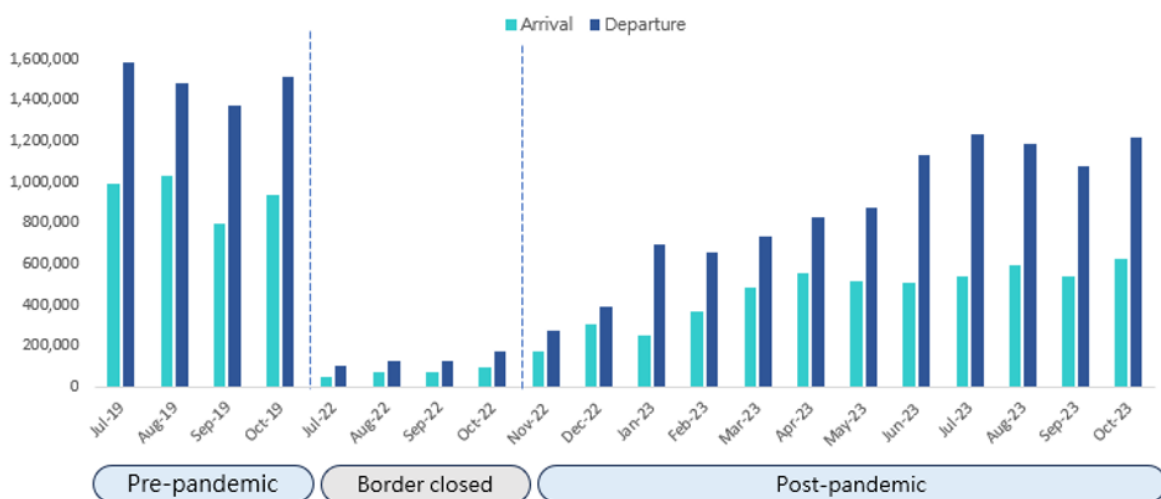
The Rise and Fall of Revenge Travel

After Taiwan reopened its borders in October 2022, there was a rapid surge in outbound travel, with figures in October this year recovering to 80% of pre-pandemic levels. However, the inflow of overseas tourists has remained sluggish, hovering at just 60%. Recent data published by the Central Bank of Taiwan indicate that the travel industry's deficit has reached an all-time high.

Looking back to 2021, the term "revenge travel" first gained prominence on American social media at a time when large-scale vaccinations in Western countries were allowing life to return to pre-pandemic normalcy. By the time Taiwan reached a societal consensus to reopen its borders at the end of 2022, it had missed the peak of the revenge travel wave in Europe and America.

With the continued trend of revenge travel among Taiwanese citizens and the slow increase in international visitors to Taiwan, the island faces the challenge of how to address the 'tourism deficit' in the post-pandemic era.

Chart1: Inbound/Outbound traveler data before and after pandemic



Source: National Statistics, ROC



Opportunity One: Medical Tourism

An internal survey conducted by Ipsos in 2023 indicated that before the Association for Relations Across the Taiwan Straits (ARATS) issued a ban on individual travel from mainland China in August 2019, mainland Chinese tourists accounted for roughly 20% of Taiwan's medical aesthetics market. Reviewing statistics from the Mainland Affairs Council, approximately 60,000 Chinese beauty enthusiasts visited Taiwan for medical aesthetics and health checks in 2014, facilitated by a special visa program. However, as cross-strait relations became more tense, the number of mainland visitors for medical tourism plummeted, with the pandemic exacerbating the downturn for Taiwan's medical beauty industry.

By mid-2022, the lifting of mask mandates exacerbated appearance-related anxieties, the medical aesthetics clinics across northern, central, and southern Taiwan thus saw their performance rebound to pre-pandemic levels. During the survey period, the rise even compensating the absence of mainland Chinese clientele. As medical aesthetics gain global recognition, the externality of medical tourism to other industries could potentially reverse the deficit in national balance and payments. Stakeholders might consider how to tap into other potential markets to rejuvenate the medical tourism sector.

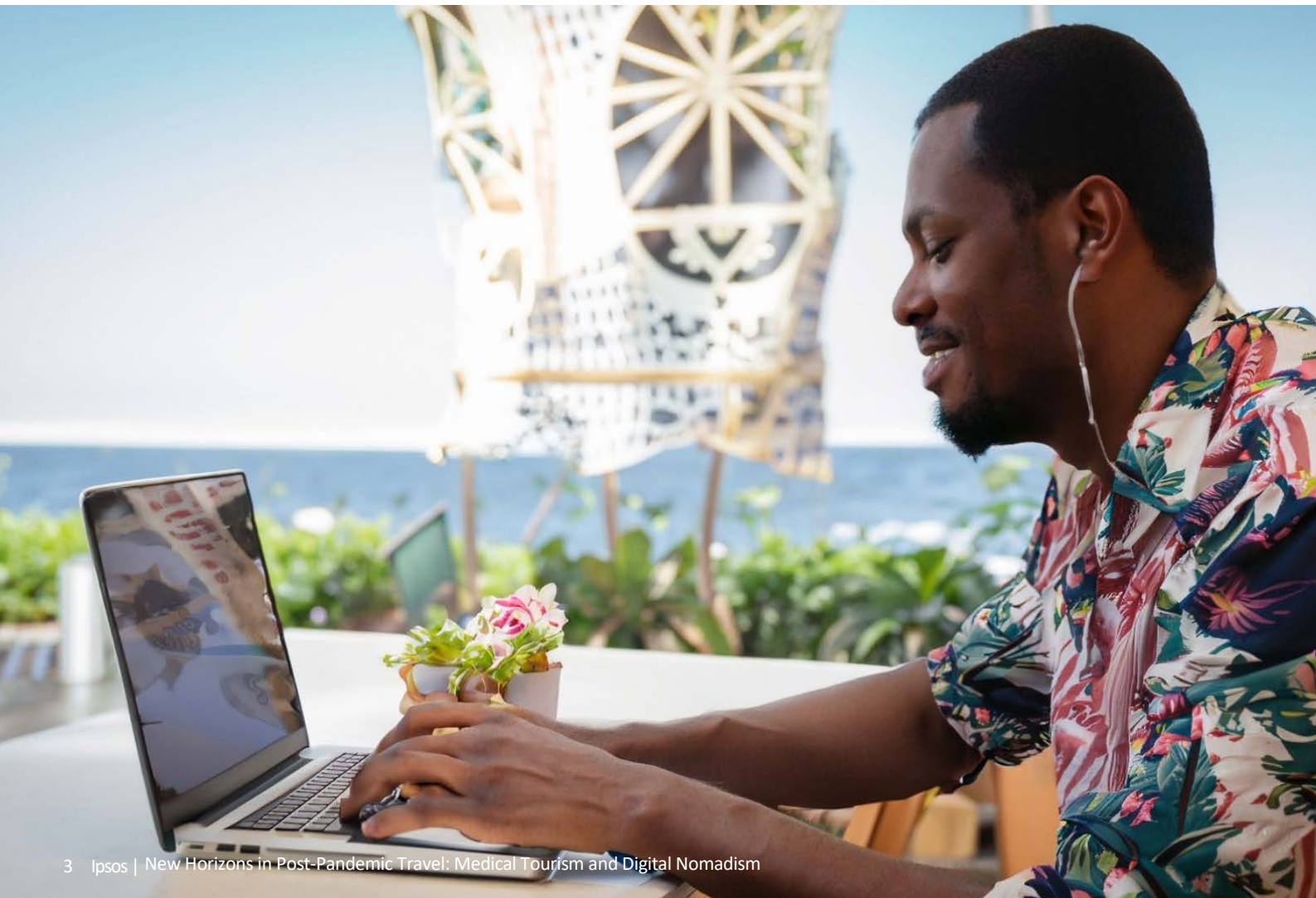


Opportunity Two: Digital Nomads

A consumer travel behavior survey executed by Ipsos Taiwan this year revealed that the pandemic has accelerated the development of online meeting platforms, leading many businesses to cut down on business travel. Respondents who previously traveled for business three to four times per year noted that they have not had the opportunity for business travel since the outbreak, despite a return to pre-pandemic work routines. However, the decline in business travel has coincided with the rise of a new 'normal': remote work, which has given birth to a group of digital nomads.

According to statistics from the data company Demand Sage, there are currently about 35 million digital nomads worldwide, with approximately half being American white-collar professionals. They move between countries offering stable internet, sound infrastructure, and beautiful natural scenery, carrying just a laptop. Unlike traditional business travelers, digital nomads personally bear the cost of lodging, making luxury hotels less appealing. With their propensity to stay longer in one location, attracting digital nomads presents a significant opportunity for various industries in Taiwan.

As the world gradually recovers from COVID-19, Taiwan's tourism industry faces a pivotal moment for transformation and innovation. The phenomenon of revenge travel has highlighted the potential for rapid and significant changes in consumer travel behavior post-pandemic. To address the current tourism deficit, Taiwan must adopt diversified strategies to attract different types of international visitors. Medical tourism has proven to be a promising market, especially following the removal of mask mandates that saw a quick recovery in domestic medical aesthetics clinics' performance. To further develop this sector, Taiwan could promote its medical tourism sector and seek to expand into new markets. Additionally, the trend of digital nomadism offers a unique opportunity. These individuals typically seek destinations with stable internet and comfortable living environments and are willing to stay longer. Taiwan can attract this emerging group of tourists by providing environments conducive to remote work, such as co-working spaces, high-speed internet, and convenient living amenities.



Ipsos is the global leader in branding and marketing research and has locations in over 90 countries and regions across the world. Our creative solutions help us build strong relationships which lead to better results for our clients. This has made us the trusted advisor and with all matters lead by our industry expert from measuring, modeling to managing customer and employee relationships.

For more information, visit us online at:

<https://www.ipsos.com/en-tw/solution/overview#category3>

or contact our research team:

Stephen Huang, Executive Director

[02 2701-7278 ext.159](tel:02-2701-7278) Stephen.Huang@ipsos.com

Miranda Yu, Senior Research Executive

[02 2701-7278 ext.131](tel:02-2701-7278) Miranda.Yu@ipsos.com