

## USTOA MEMBERS REVEAL TRAVEL TRENDS FOR 2014

### *Tour Operator Members Forecast a “Boom Year” Ahead; Majority Report Double-digit Growth in 2013*

NEW YORK – December 5, 2013 – In an annual survey of travel forecasts and trends for the US Tour Operators Association (USTOA), nine in 10 (93.3%) of active tour operator members anticipate a growth in sales in 2014 with nearly two-thirds of members (59.6%) “optimistic” and forecasting a “boom year” with growth anywhere from 7% to 10% or higher.

In 2013, 89% of members responding to the survey saw an increase in business over 2012, two-thirds of which (62.5%) said sales increased by 10% or more. The annual survey of active tour operator members was revealed at USTOA’s Annual Conference and Marketplace held at the Fairmont Scottsdale Princess, December 5-7, 2013.

“We’ve been hearing anecdotally from members about how strong business has been this year and now the survey both validates and exceeds expectations for the health of our members’ business. What’s really interesting about these results is that more than half (55.6%) of those members attribute the increase in business this year to an improving economy and consumer confidence, which is a positive sign for the industry in general,” said Terry Dale, president and CEO of USTOA. “With total annual sales of \$11 billion\*, the members of USTOA represent a significant footprint in our industry, a fact that brings added firepower to our continued advocacy role on Capitol Hill,” he continued.

Along with a growth in sales this year from 2012, 92.2% of members also saw an increase in passengers; 60% saw numbers grow 10% or higher. On the jobs front, more than half of the members surveyed (54.5%) also increased their staffing levels in 2013, 16% increased staff by 10% and greater. And, more than half (56.8%) plan to add more jobs in 2014.

Travel agents contribute significantly to members’ business: Almost 90% of members report that travel agents represent a portion of their sales; for a full quarter of members, travel agents are responsible for 90% or more of their business, while more than half (56.8%) report that 70% and more of their business is booked through a travel agent. And, 52% of members expect to see an increase in business booked through a travel agent in 2014.

The survey also covered questions related to consumer travel purchasing such as the reasons why consumers book a tour and booking patterns:

- Among the key decision factors that influence travelers to book a tour, members cited “location of tour/destination” as the most important, closely followed by “value;” third most important factor is “company reputation” followed by service; the least most important is “tour product offering,” such as the type of tour, e.g., adventure, culinary, etc.
- On average, nearly two-thirds (62%) of members’ bookings are six to 12 months in advance; a third (35.6%) report that advance bookings are less than six months prior to travel.
- Families traveling with children under 18 years of age are a growing segment for members: Overall, two-thirds of members saw this market grow in 2013. Roughly one-in-ten (9%) report this market represents 75% or more of their business, while 75% of members report that children make up less than 10% of their business.

#### Experiential Travel Trends

When asked to name the top three “off-the-beaten-path” or emerging destinations that will gain popularity in 2014, members cited Myanmar (for the second year in a row), Vietnam and Cambodia (tied for second,) and India. At the same time, members named Italy, the United Kingdom/Britain and China and Peru (tied for third) as the most popular destinations for their clients in 2014.

“Nearly 40% of members named Europe as the region of the world offering the most experiential travel options, perhaps not surprising given the wealth of cultural and gastronomic experiences available,” said Dale. Asia ranked second, named by 21%, followed by South America, named by 12% of members.

Among emerging experiential trends in the industry, more than three-quarters of members (77%) named river cruises as a top trend; with sports travel to events like the World Cup and Olympics coming in second (37%), faith-based travel third at 23% and travel related to pop entertainment (TV and film destinations), at nearly 9%.

#### Marketing Trends

With a growing importance on social media channels to reach and engage consumers, USTOA also asked active tour operator members which channels they currently utilize for marketing. Facebook was named by nearly all (95.6%), followed by Twitter (80%), Youtube (69%), a company blog (60%), Pinterest (42%), and Flickr (11%).

Nearly two-thirds of members (61%) said they dedicated 1-5% of their annual marketing budget on social media; 23% dedicated six to 10%; 16% spend as much as 25% of their annual budget. And, 60% of respondents plan to increase social media budgets in 2014, half forecasting from six to 10% while 22% of members will increase budget as much as 25%.

The primary reason member companies use social media is to drive traffic to their website (89%), closely followed by consumer engagement and marketing special offers (82%), and customer service and/or reservations (31%).

#### Potential Threats

“While our members view 2014 with optimism, political instability and uncertainty could undermine confidence to travel in affected regions in the coming year,” said Dale. The second potential threat named was natural disasters, followed by global financial instability, pandemics and other health crises, the strength of the US dollar, and, lastly, terrorism.

For questions and more information on USTOA, visit [www.ustoa.com](http://www.ustoa.com), call 212-599-6599, or email [information@ustoa.com](mailto:information@ustoa.com).

#### **About USTOA:**

Representing more than \$11 billion in revenue, the member companies of U.S. Tour Operators Association provide tours, packages and custom arrangements that allow six million travelers annually unparalleled access, insider knowledge, peace-of-mind, value and freedom to enjoy destinations and experiences across the entire globe. Each member company has met the travel industry’s highest standards, including participation in the USTOA’s Travelers Assistance Program, which protects consumer payments up to \$1 million if the company goes out of business.

\*According to the PriceWaterhouseCoopers LLP study commissioned by USTOA in fall 2012.

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