



NEW SURVEY REVEALS ECONOMIC IMPACT OF USTOA MEMBERSHIP

2012 Tour Operator Member Survey Monitors Business Trends, Outlook, Emerging Destinations

NEW YORK – December 7, 2012 – A new survey by PriceWaterhouseCoopers LLP (PwC) found that active members of the United States Tour Operators Association (USTOA) contributed \$10.3 billion to the U.S. tour operator industry in 2011, representing more than 6.1 million individual travelers. Moreover, the membership projects a healthy increase in sales in 2012 of 7.5% to \$11 billion, with a 5.6% increase in individual travelers, to 6.5 million.

USTOA commissioned the PwC study – the first of its kind in the association’s 40-year history – to measure the economic impact of travel packages sold by its active members.

“As USTOA increases its advocacy role within the industry and in the nation’s capital, it is critical that we truly understand the economic footprint of our active members,” said Terry Dale, president and CEO. “This vital information on sales, jobs, the impact on our hotel and airline partners, the role of travel agents, and the forecast for the future, paints an accurate picture of how integral our members are to the health of the industry overall and strengthens our voice to all stakeholders.”

The outlook for the tour industry is healthy, according to 88% of members who anticipate a growth in sales in 2013 over 2012. Of that majority, a quarter (26.7%) forecast a “boom year” with sales in excess of 10%, with another quarter (26.7%) optimistic about sales increasing 7–9%. More than a third (37%) remains cautiously optimistic that sales will increase 4–6% in 2013.

When asked in an open-ended question to describe the industry outlook over the next five years, members commented that they see “strong demand, aggressive growth,” and are “optimistic...US economy stabilized, US dollar stronger, enabling us to have a better and improved buying power.”

On the jobs front, active members report employing 10,230 people within the US, representing \$685 million in total wages paid in 2011. In 2012, members project an increase of 4.3%, or 10,670 jobs, and a 3% increase in wages to \$705 million. A clear majority of respondents – 71% – plan to increase staff in 2013.

Active members also report that travel agents represent nearly two-thirds (64.4%) of total packages sold in 2011, a number expected to hold steady in 2012. "Travel agents are clearly a very important piece of our members' business model," Dale commented.

Among other vital statistics revealed at USTOA's Annual Conference & Marketplace, held at Hilton Waikoloa Village in Hawai'i The Big Island, December 6-8, 2012:

- Active members were responsible for more than 14 million hotel room nights booked in 2011, projecting a year end 2012 increase of 3.4% to 14.6 million.
- Airline seats sold in 2011 were 3.9 million, with 4 million projected to sell in 2012 for an increase of 3.1%.
- Total travel packages sold number 3.1 million in 2011; in 2012, this is expected to grow 3.7 % to 3.2 million travel packages in 2012.
- Purchases of goods and services for travel packages, including air, rail, cruise, ground transportation, accommodations, dining, and sightseeing/attractions, was \$7.5 billion in 2011; with a projected increase of 9% to \$8.2 billion in 2012.

When asked who's traveling, members responded that escorted/guided tours comprise more than half of their passengers in 2011 representing 54% and in 2012 it's expected to rise slightly to 55.4%; FIT packages are next at 41% in 2011 with a slight decline in 2012 to 38%. Cruises are the next largest segment at 24% in 2011 with a slight increase to 24.5% in 2012; followed by Student Travel, 22% in 2011 with growth to 23% expected in 2012, and Custom Packages at 20% in 2011 and 2012.

Top Trends and Destinations

When asked to name the "off-the-beaten path" countries they foresee becoming popular in 2013, active members ranked Myanmar number one, followed by Vietnam, India, Peru, Cambodia, Brazil, China, Colombia, Costa Rica and Ecuador.

Experiential, or "E" Factor, travel continues to play a major role in member programming. When asked to rank the experiential travel programs they currently offer, 71% of members cited "adventure" followed by "culinary" at 68%, "art" (61%), "multigenerational travel" (58%), safari (52%), and sport (42%).

Perhaps not surprisingly, when asked to rank the global risks to growth prospects in the next three years, the majority - 82% - cited global financial instability, followed by political instability (62%) and terrorism (56%). The strength of the U.S. dollar and natural disasters were named by 35% of respondents, with pandemics and other health related issues falling to the bottom of concerns, by just 15% of members.

“This was an enormous undertaking by our members and the incredibly high response rate of 75%, which PwC confirmed is extraordinary, just shows how dedicated they are to the mission and success of USTOA,” concluded Dale. “We are exceedingly grateful for and inspired by their commitment.”

For questions and more information on USTOA, visit www.ustoa.com, call 212-599-6599, or email information@ustoa.com

About USTOA:

Representing more than \$10 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.

As a voice for the tour operator industry for 40 years, USTOA also provides education and assistance for consumers and travel agents.

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