



# TODAY'S TRAVELER

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*NATIONAL TOUR ASSOCIATION*

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# Today's Traveler Workshop



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- Visitor Profile/Trends
- Key Markets
  - Solo Traveler
  - Group Tour
  - Student Tourism
  - Sports
  - International/FIT



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# VISITOR PROFILE



Today's Traveler

# Millennials

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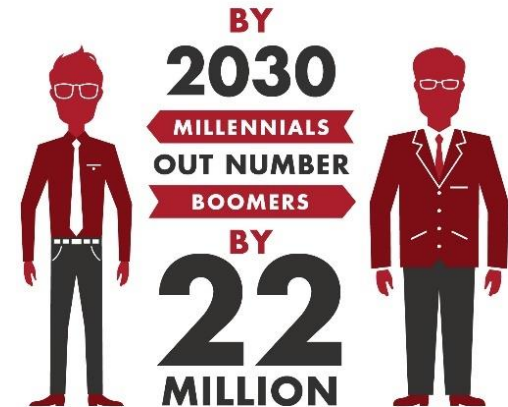
- 73.5 million people
  - 1/3 of US Population
  - Prefer luxury, but less financially stable
  - Make less money than their boomer parents but travel more.
- Travel Study – ASTA 2016
  - 80% of millennials took at least one leisure trip
  - 2.38 average number of vacations
  - 57% Men & 27% Women took at least one work trip
  - Reasons to Travel
    - 64% - Relax
    - 59% - Spend quality time with family
    - 38% - See natural sights



# Millennials, cont.

## Travel Trends:

- Constantly connected
- Seeking Interaction
- Happy to Share
- Seeking Authenticity
- Selective Spending
- More likely to use public transportation or ride-sharing



*Millennials Travel Spending surpassed \$200 billion annually in 2016.*

# Generation X

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- Demographics/Psychographics
  - Generation Xers – 51 million people
    - Less brand loyal, spend more per trip
    - Like value-added & extras
- Expectations
  - Luxury on a budget
  - Value-added packaging
- How To Reach Them
  - Online Reservations/OTA's
  - Specialized Tour Operators



# ADULT- Boomers

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- Demographics/Psychographics
  - 76 million people
  - Account for \$2 trillion in income
  - 16 million exercise three times per week
  - Represent 80% of luxury travel
- Expectations
  - Luxury, expertise and convenience
  - Experiential tours
- How To Reach Them
  - Social Media/Online Presence
  - Tour Operators/OTA's





- Demographics/Psychographics
  - 37 Million people
  - 66% Married
  - More Active, family-focused
  - Motorcoach offers travelling with friends in a stress-free environment
- Expectations
  - Engagement & activity
  - Friendly, welcoming environment
- How to Reach Them
  - Group Leader Shows
  - Tour Operators



# KEY MARKETS



Today's Traveler

# Solo Traveler

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## Solo Travel Society – Females & Why they travel solo:

- 46% Travel for freedom
- 22% Don't want to wait for others
- 15% Want to challenge themselves & gain confidence

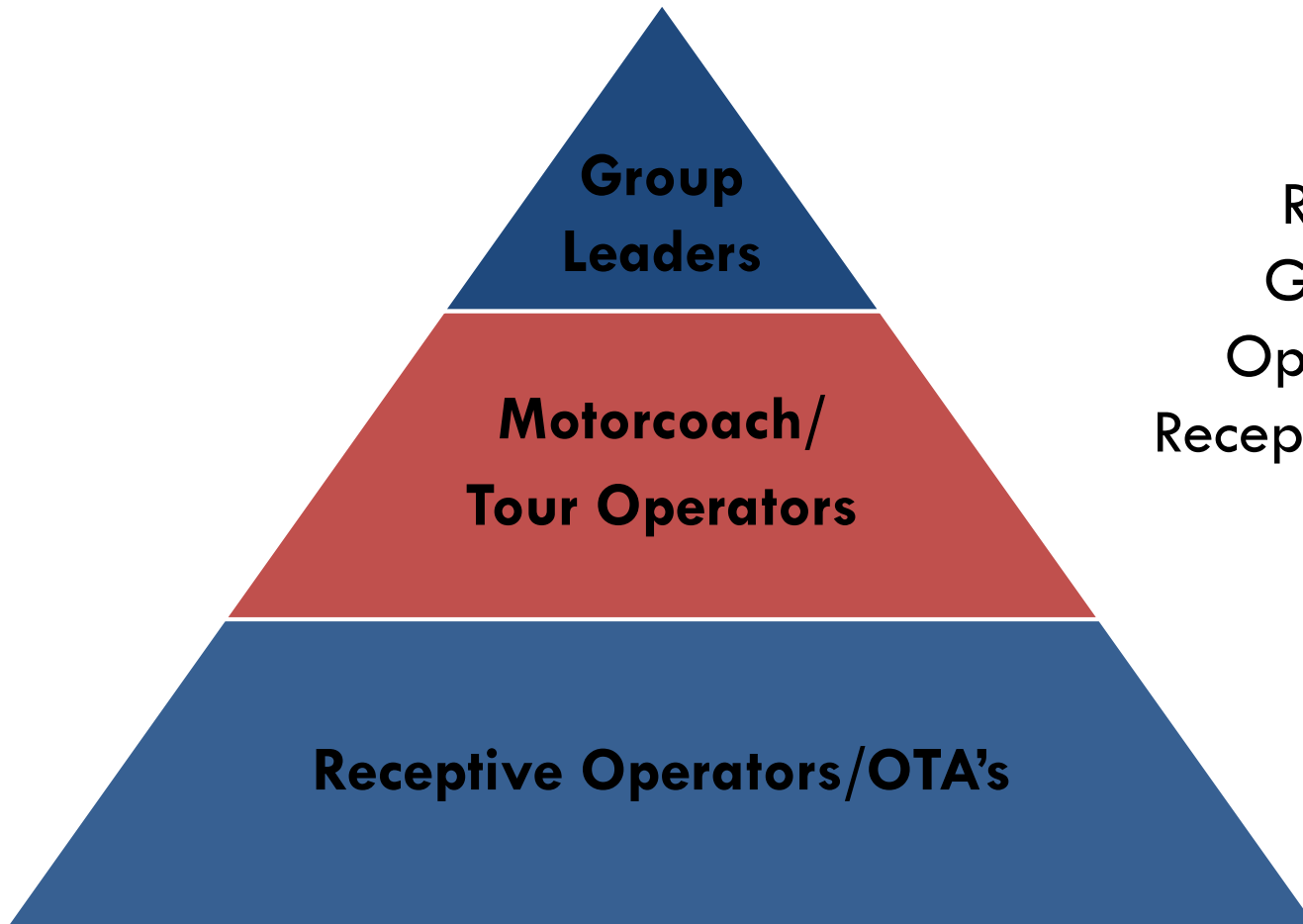
*Janice Waugh*  
*Solotravelerworld.com*



# Group Tour



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## **Tiered Pricing**

Retail/Rack Rate

Group Rate -10%

Operator Rate -10%

Receptive/OTA Rate -10%

- Demographics/Psychographics
  - 25 million people
  - Multi-racial children are the fastest growing youth group in the US.
  - Thrive on diversity
- Expectations
  - Education in a fun environment
  - May be first experience with travel
- How to Reach Them
  - Social Media
  - Teachers/Administration
  - Student Tour Operators/OTA's



# STUDENT, cont.



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## Industry Trends:

- Student & youth travel is one of the fastest growing and most dynamic segments of global tourism.
- More destinations are looking to diversify their markets.
- Overall market value of US Student Group Travel is estimated at a minimum of \$5.6 billion.

- Sport is considered a destination & sporting facilities are considered attractions.
- 3 types:
  - Sports Event Tourism
  - Active Sports
  - Nostalgia Sports
- 2/5 of US adults are sports travelers
- 84% are spectators



*Global sports market total revenue - \$90.9 billion*

## Industry Trends:

- Authentic Experiences - Event planners want an experience they can only find in your region.
- Growth of nontraditional sports – Spikeball, Flag football, wakeboarding, drone racing, etc.
- Visitors want a vacation after the event





- FIT
- Expectations
- Country of Origin
  - China
  - Japan
  - India
  - Europe
  - Brazil
  - Australia
- Benefits/Opportunities
- Get Connected



# FIT DEFINITION

**Flexible Independent Traveler** – An individual or small group of <10 traveling and vacationing with a self-booked itinerary.

*FIT is different from traditional group tour.*



## Visitor Expectations:

- Independent
- Freedom, flexible schedule
- Ease in reservations
- Upscale comfort
- Exceptional service
- Cultural accommodation
- Value, exclusivity associated with group travel.



## Operator Expectations:

- Rates 20-35% off rack
  - Direct Connect: 20-25%
  - Industry Standard: 25-30%
- Static Pricing vs. Dynamic Pricing
- Billing
  - Prepay
  - Post-pay
  - Direct Bill
- Operator Reservation Options
  - Direct Connect - Brands
  - Pre-Buy Room Allotment
  - Free Sale
  - Confirmation Emails/  
E-vouchers/Tickets
- Black Out Dates vs. Higher rate
- Cancellation Policies
- Comps - negotiation point

# CHINA

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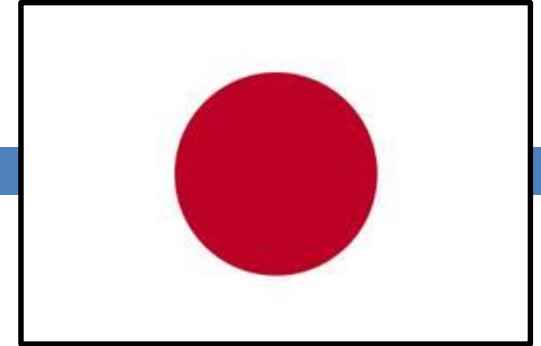


- 2<sup>nd</sup> largest land mass
- Largest world population – 1.4 billion
- Mandarin official language
- Income – \$69K+ , tripled in 5 years
- #1 source of cross-border tourists since 2012
- Cultural expectations/differences:
  - View themselves as “Country in the Middle of the World”
  - 45% of spend on shopping, 24% of lodging - VALUE
  - Used to limited personal space, don’t like waiting in line
  - Travel as group or FIT
  - Respect for tour guide
  - Union pay & translated signage are important

***3.2M Total Visitation to the US in 2017***

# JAPAN

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- Archipelago of 6,852 islands
- Population – 127 million, 90% live in cities
- Tokyo – fourth leading global city in world
- One of highest life expectancies in the world – 81.25 years
- High standard of living, 90% consider themselves part of middle class
- US most popular international destination
- Cultural expectations/differences:
  - Formal and conservative society, politeness & personal responsibility
  - Educational system – emphasizes interdependence of all people
  - Non-verbal messages trusted more than spoken word
  - Top rated world's best tourists
  - Shoppers – looking for style, 28% shopping, 38% lodging

***3.6M Total Visitation to the US in 2017***

# INDIA

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- 7<sup>th</sup> largest by area
- 2<sup>nd</sup> most populous, 17.5% of world's population
- 50% of population below age 25
- Religious beliefs – 80% Hinduism & 13% Islam
- One of fastest-growing outbound travel markets in the world. Viewed as a top 5 emerging market
- Cultural expectations/differences:
  - Higher than average spend
  - Community living – tolerant to noise
  - Informed & sophisticated, value authentic experiences
  - Expect a higher level of service & value add-ons
  - 4.7% of world's internet users
  - Loyalty to destinations

***1.3M Total Visitation to the US in 2017***

# EUROPE

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- Comprises the westernmost part of Eurasia
- World's second-smallest continent by surface area
- Third-most populous continent after Asia and Africa - population – 743 million
- Greatest linguistic & cultural diversity of Western world
- Traditional foods localized
- Cultural expectations/differences:
  - History- perception
  - Distances – perception
  - Public transportation
  - Foreign language compulsory in primary school



**14.8M Total Visitation to the US in 2017**



# BRAZIL

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- Largest country in both South America and the Latin American region; world's fifth-largest country by geographical area and by population (207 million)
- Official language – Portuguese
- Religion – 2/3 Roman Catholics
- Strong traditional values, emphasis on family
- Cultural expectations/differences:
  - Warm people – greet with kiss on cheek
  - Relaxed pace – on time is 5-10 minutes late
  - Do not eat eggs for breakfast or PB&J/brown bag lunches

***1.9M Total Visitation to the US in 2017***

# AUSTRALIA

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- Population – 24.13 million
- Low population density – 3 people per square mile
- 89% live in urban areas
- Life expectancy is 79.7
- Stable political system & low crime rate
- Average visitor spend \$3,250
- Cultural expectations/differences:
  - Adventurous spirit
  - Rich in cultural diversity
  - Easy-going lifestyle, friendly & relaxed
  - Value modesty and equality

***1.3M Total Visitation to the US in 2017***

# FIT Benefits/Opportunities

- Increase Visitation
- Extend Travel Season
- Fill Gaps/Shoulders
- Strengthen relationships with Group/FIT Operators



# GET CONNECTED



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- Memberships/Trade Shows
  - North American Journeys
  - IPW
  - National Tour Association
- Partnerships
  - Brand USA
  - State Tourism Office
  - CVBs
  - Hotels, Attractions, Suppliers



# QUESTIONS?

*Thank you for your time!*



Today's Traveler