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MARKET INSIGHTS
EUROPEAN TRAVEL COMMISSION
MARKET INTELLIGENCE GROUP

UNITED STATES

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This Market Insight is one of an ongoing series of market profiles produced by the Market Intelligence Group [MIG] of the European Travel Commission [ETC]. New market profiles will be added to the series and updated at regular intervals.

The members of the MIG comprise the Research Directors of the 39 national Tourist Offices (NTOs) who are members of ETC. The group regularly commissions and publishes market intelligence studies, handbooks on methodologies and best practice, and facilitates the exchange of European tourism statistics on the 'TourMIS' web platform.

More information on ETC's programme of market intelligence activities - including links to studies and sources of European tourism statistics - can be found on the organisation's corporate website: http://www.etc-corporate.org.

OVERVIEW

- With an expenditure of US$80.0 bn in 2008 (+5.0% on 2007), the USA continues to be ranked second in the world (after Germany) by the World Tourism Organization, in terms of spending on travel abroad (excluding transport).
- The proportion of US citizens holding valid passports has risen rapidly in the last few years, especially since the implementation of the WHTI (see below), to around one third of the total population.
- US outbound travel achieved a record 64.1 mn trips in 2007, but fell by 1% to 63.6 mn in 2008. The numbers of overseas trips began to fall in July 2008, a trend which continued through the first four months of 2009.
- Trips to Europe fell by 9% to 11.2 mn in 2008 and were still 16% short of their peak in 2000. They fell a further 10% in the first four months of 2009.
- The decline in value of the US dollar and the rise in air fares (caused by the increase in international oil prices) made Europe a more expensive destination for Americans in 2005-07, dampening demand. The economic crisis is making further inroads into demand in 2008-09, but the decline may be mitigated by the partial recovery in value of the US dollar.
- Also positive is the fact that, after falling to a record low in February 2009, US consumer confidence has been rising steadily, reaching 40.8 in April and 54.9 in May (1985 = 100).
- Some industry observers believe we will see the start of a recovery in US outbound travel this year, but it seems safe to assume that relatively close destinations – such as the Caribbean and Central America – will benefit at the expense of Europe and Asia.
- However, there are still good opportunities in tapping the growing numbers of 'baby boomers' in the USA, many of whom have much more time for travel abroad and are looking to visit longer-haul destinations.

COUNTRY PROFILE

Currency

US dollar (US$) €1 = US$1.47 (average 2008), US$1.40 (June 2009)

- The US dollar began to recover in the middle of 2008, and rose with a rush against many currencies as the crisis intensified in September and October. Since then there has been little stability. The euro has staged a partial recovery, but the UK pound still appears to be drifting erratically downwards.

Population

- 315 mn (2009).
- Growing by 1.0% a year, mainly because of immigration.
- The US population is growing older, but relatively slowly (see table below).
- About 15% of the population are Hispanic or Latino, 14% African-American, 5% Asian-American and 1% Amerindian, native Alaskan or native Pacific Islanders. Some 67% are non-Hispanic whites, but the US Census Bureau estimates that they will no longer be a majority by 2042.
- 54% of the population live in the ten most populous states (California, Texas, New York, Florida, Illinois, Pennsylvania, Ohio, Michigan, Georgia and North Carolina).
- 84% live in metropolitan areas. The largest are New York (19 mn people), Los Angeles (13 mn), Chicago (9.5 mn), Dallas, Philadelphia and Houston (all 6 mn).

Age

Breakdown (%)	**2009[e]**	**2020[f]**
0-4 years	6.9	6.3
5-14	13.4	12.9
15-24	14.1	13.1
25-34	13.6	13.9
35-44	13.6	12.8
45-54	14.3	12.2
55-64	11.2	12.7
65-74	6.7	9.4
75-84	4.2	4.7
85+	1.9	2.0

- The population in 2009 can be broken down more simply as follows: 0-24 years: 34%; 25-59 years: 48%; over 60: 18%. The median age is 36.5 years, compared with the world median of 29 years.
- The rate of population growth is about 1.0% a year (close to the world average). According to the UN, the numbers of children and young people (aged 0-24) will grow by about 3% between 2009 and 2020, while the numbers of those aged over 60 will increase by 37%. There will be an increase of 12.5% in people aged 25-34 and of 25% in those aged 55-64, but no increase in those aged 35-54.

Ancestry

- In the 2000 Census (the latest available), 80% of respondents reported their 'ancestry', including some 55% with European roots, broken down as follows (%[a] of total population):

German	15.2	Polish	3.2	Norwegian	1.6
Irish	10.8	French	3.0	Scottish-Irish	1.5
English	8.7	Scottish	1.7	Swedish	1.5
Italian	5.6	Dutch	1.6		

Language & Religion

- English, Spanish (spoken by a sizeable minority). In the 2000 census, 81% of respondents said they spoke only English at home, and 11% spoke Spanish. 80% of respondents described themselves as Christian (26% Roman Catholic), 5% as belonging to other religions and 15% as being atheist or agnostic.

Economic Data

	2004	2005	2006	2007	2008e
GDP (US$ bn)	11,686	12,422	13,178	13,808	14,265
Real GDP growth (%)	3.6	2.9	2.8	2.0	1.1
GDP per capita (US$)	39,852	41,977	44,119	45,778	46,859
Inflation (%)	2.7	3.4	3.2	2.9	3.8
Unemployment (%)	5.5	5.1	4.6	4.6	5.8

US Economy 2008-09

- The USA remains by far the largest and most powerful economy in the world.
- Although the financial crisis and economic downturn very largely originated in the USA, it is expected to weather the storm relatively easily. The IMF (in July 2009) expects real GDP to fall by 'just' 2.6% in 2009 and to recover slightly – by 0.8% – in 2010.
- Nevertheless, the effect on consumers is expected to be serious and prolonged. In recent months over 500,000 people have been losing their jobs every month and over 200,000 have been losing their homes. Unemployment is expected to rise to over 10% in 2010. Although most people will escape the worst effects of the downturn, significant numbers will be more seriously affected, and consumer confidence will remain generally weaker than usual – if not as low as seen at the beginning of 2009 – dampening demand for outbound travel.
- In the longer term, too, the outlook for consumer spending is weaker than it has been in recent years. Taxation will increase, credit will remain scarce and may become expensive, and the savings rate needs to rise.
- Inflation rose to 4% in 2008, largely because of the rise in international oil and commodity prices, but has fallen back quickly. Prices are expected to fall slightly in 2009.
- Between 2002 and the middle of 2008, the steady decline in the US dollar (especially against the euro and sterling) made outbound travel much more expensive. This process went into reverse in the second half of 2008 and (more erratically) the first four months of 2009. The recovery in the exchange rate of the US dollar, assuming it is sustained, may do something to cushion the decline in outbound travel.

TRAVEL PROFILE

US Outbound Trips

	2003	2004	2005	2006	2007	2008
Total ('000)	56,250	61,809	63,503	63,662	64,024	63,554
Overseas	24,452	27,351	28,787	30,148	31,228	30,789
of which: Europe	10,319	11,679	11,976	12,029	12,304	11,238
Canada	14,232	15,088	14,391	13,855	13,371	12,495
Mexico	17,566	19,370	20,325	19,659	19,425	20,271
Breakdown (%)						
Overseas	43	44	45	47	49	48
of which: Europe	18	19	19	19	19	18
Canada	25	24	23	22	21	20
Mexico	31	31	32	31	30	32

Note: Trips (overnight) by air only; Canada and Mexico all modes of transport

- The monthly figures for outbound travel have been showing declines since July 2008. In 2008 as a whole, total outbound trips, as well as total overseas trips, fell by 1%, while trips to Canada were down 7% and trips to Mexico were up 4%. In the first four months of 2009, total overseas trips declined by 7%.
- Trips to Europe in 2008 fell by 9% and were still 16% short of their peak in 2000. They declined a further 10% in the first four months of 2009.
- In 2008, Europe accounted for 41% of overseas trips by air (i.e. excluding trips to Canada and Mexico), compared with 18% each for the Caribbean and Asia, 8% each for Central and South America, 2% for Oceania, 3% for the Middle East and 1% for Africa.

International Travel Expenditure (excl transport)

	2003	2004	2005	2006	2007	2008^{e}
Total (US$ mn)	57,447	65,750	68,970	72,104	76,167	80,000
% annual change	-2.2	14.5	4.9	4.5	5.6	5.0
Spend per trip (US$)	1,021	1,064	1,086	1,133	1,189	1,198

- Spending on travel to Europe was US$24,769 mn in 2008 (4% up on 2007), equivalent to US$2,204 per trip. Europe therefore accounted for 31% of total international travel spending.

Av. spend on overseas trips (2008):

	Leisure/VFR	Business/events	All trips
Per travel party (US$)	2,200	2,756	2,334
Per traveller (US$)	1,386	2,219	1,540
Per traveller per day (US$)	79	134	85

- Trip expenditure is considerably higher for business & conference travellers than for leisure/VFR. The greatest difference is in the cost of the air ticket, which is not included in these figures.

Residence of travellers

- In 2008, 34% of travellers to Europe were residents of Middle Atlantic states; 19% came from South Atlantic states, 9% from New England, 18% from Central USA and 21% from Pacific and Mountain states.
- The most important individual states were New York (18% of travellers), California (13%), Pennsylvania (9%), New Jersey (7%), Florida (7%), Massachusetts (4%), Texas (4%), Illinois (4%), Virginia (3%) and Connecticut (3%).

Leading Destinations in Europe

Total trips ('000)

	2003	2004	2005	2006	2007	2008
UK	3,252	3,692	3,829	3,286	3,123	2,894
France	1,883	2,407	2,217	2,231	2,217	2,124
Italy	1,638	1,915	2,044	2,201	2,373	1,940
Germany	1,540	1,750	1,670	1,688	1,936	1,601
Spain	929	903	979	995	1,093	1,139
Netherlands	831	930	864	904	937	893
Ireland	562	738	691	844	749	677
Switzerland	611	520	518	633	656	647
Greece	293	438	489	482	562	493
Austria	367	410	na	na	406	431
Czech Republic	220	356	na	na	375	339
Russia	269	301	345	na	312	308
Turkey	304	245	274	na	250	369

Arrivals (2007) as reported by European destinations, using various measures ('000)

UK	3,551	Sweden	349	Romania	98	Malta	20
France	3,428	Czech Rep	322	Iceland	72	Latvia	17
Italy	2,437	Belgium	298	Bulgaria	71	Serbia	15
Germany	2,123	Russia	294	Slovenia	50	Bosnia-Herz.	8
Spain	1,741	Portugal	278	Albania	44	Macedonia FYR	8
Ireland	975	Poland	193	Slovakia	32	Montenegro	7
Switzerland	848[e]	Hungary	184	San Marino	28	Liechtenstein	2
Netherlands	800[e]	Croatia	181	Cyprus	24	Monaco	1
Greece	731	Norway	177	Lithuania	23		
Austria	581	Denmark	117	Luxembourg	23		
Turkey	377	Finland	115	Estonia	22		

- The USA is by far the most important long-haul (ie non-European) market for all destinations in Europe, except Russia (which receives twice as many visitors from China), Turkey (if one counts Iran as long-haul) and Portugal (which receives roughly as many from Brazil). For the UK, it ranks alongside France as the most important market, and in Ireland it is outranked only by the UK.
- Among the 19 ETC members that have already filed figures for 2008 on TourMIS, almost all recorded declines in arrivals from the USA, typically in the range 5-20%. The exception is Bulgaria, which recorded a very slight increase in arrivals at frontiers, but a 12% decline in arrivals in accommodation.
- Almost no European country has recorded positive growth in arrivals out of the USA on TourMIS in the first few months of 2009, and some have suffered very serious declines – of up to 30% or even 40%. USTOA recently reported that the declining dollar seriously affected sales to Europe among its members in 2008 – 50% were affected, some suffering a 20% decline in bookings.

Nature of Trip

Overseas trips, 2008	Leisure/VFR	Business/events	All trips
Av. length of trip (nights)	17.4	16.5	18.0
No. of countries visited (%)			
1	82	76	82
2	12	16	12
3+	6	8	6
Av. no. of countries visited	1.3	1.3	1.3

- CLIA's 2008 market survey provides a breakdown of adults aged over 25 with a household income of over US$40,000 who have taken holidays of different types in the last three years (international and domestic trips combined). Although the results need to be interpreted with caution, they are nonetheless interesting and highlight the predominant nature of US leisure travel:

  Some 78% of trips are VFR, 52% non-package trips, 27% trips to a resort making own arrangements, 26% land-based packages, 23% cruise packages, 22% vacations added to a business trip, 21% vacation house rental, 14% package resort vacations, 11% escorted tours, and 9% vacations in all-inclusive resorts.

Purpose of Trip

Overseas trips, 2008	Leisure/VFR	Business/events	All trips
Main purpose of trips (%)			
Leisure/holidays	48	7	40
VFR	41	8	34
Business	7	77	18
Study/teaching	2	1	3
Convention/conference	1	7	2
Religion/pilgrimage	1	0	1
Health treatment	0	0	1

All purposes of trips (%[a])			
Leisure/holidays	67	28	56
VFR	56	24	47
Business	12	93	25
Study/teaching	5	5	6
Convention/conference	2	13	4
Religion/pilgrimage	2	2	3
Health treatment	1	1	1

- Rather fewer trips to Europe are mainly for VFR (28%), and rather more are for leisure (43%) and business (20%).

Seasonality

Month of trips to Europe, 2008 (% of annual total)

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
6.1	5.4	7.9	7.8	10.6	12.3	10.7	9.0	9.5	7.4	6.2	7.2

US public holidays

2009: 1 Jan, 19 Jan, 16 Feb, 25 May, 3 Jul, 7 Sep, 12 Oct, 11 Nov, 26 Nov, 25 Dec

2010: 1 Jan, 18 Jan, 15 Feb, 31 May, 5 Jul, 6 Sep, 11 Oct, 11 Nov, 25 Nov, 24 Dec, 31 Dec

Most states have additional holidays, and privately a wide variety other religious, secular and local holidays may be celebrated.

Holiday entitlement

Contractual entitlement to paid holidays varies: one or two weeks is typical, but some companies allow up to four weeks (often related to length of service), but none at all is still not uncommon (although fading).

School holidays

The school year usually begins at the end of August and finishes early in July, with a few days of holiday around Thanksgiving (November), about two weeks over Christmas and New Year, and about a week at Easter in March/April.

Accommodation

Overseas trips, 2008	Leisure/VFR	Business/events	All trips
Type (%[a])			
Hotel, motel	58	79	62
Private home	51	29	45
Other	6	5	6
Av no. of nights			
Hotel, motel	9.2	9.0	9.4
Private home	18.2	20.0	19.4
Other	16.7	21.8	22.0

Leisure / Recreational Activities

On overseas leisure trips, 2008 (%[a])

Dining 83%, shopping 73%, visiting historical places 54%, city sightseeing 43%, visiting small towns/villages 42%, touring countryside 36%, cultural heritage sights 34%, art galleries/museums 27%, water sports/sunbathing 22%, nightclubs/dancing 22%, guided tours 19%, ethnic heritage sites 14%, concert/plays/musicals 12%, visiting national parks 12%, amusement/theme parks 12%, casinos/gambling 8%, environmental/ecological sights 6%, cruises of one or more nights 7%, camping/hiking 6%, golf/tennis 5%, attending sporting events 5%, hunting/fishing 3%, ranch vacations 2%, skiing 1%.

- 10% of US residents aged over 25 and with an household income exceeding US$40,000 have taken an ocean cruise in the last three years. The Mediterranean and Europe are increasingly popular cruising destinations, especially among the more affluent cruisers.

PROFILE OF TRAVELLERS

Nature of Overseas Travellers

On overseas trips, 2008	Leisure/VFR	Business/events	All trips
Male adults (%)	49	74	53
Female adults (%)	51	26	47
First-time travellers (%)	6	3	6
No. of trips in past 12 months	2.3	4.6	2.7

Occupations

Overseas travellers, 2008 (%)	Leisure/VFR	Business/events	All trips
Professional/technical	37	43	38
Manager/executive	21	46	25
Retired	13	3	11
Student	9	3	9
Homemaker	7	1	6
Clerical/sales	5	1	4
Craftsman/factory worker	4	1	3
Government/military	3	1	2

Travel Companions

On overseas trips, 2008 (%[a])	Leisure/VFR	Business/events	All trips
Travelling alone	37	64	42
Spouse	33	14	29
Family/relatives	30	9	26
Friends	12	4	11
Business associates	1	14	4
Tour group	3	1	3
Adults travelling with children	10	3	8
Av party size (no. of persons)	1.6	1.2	1.5

AIR TRANSPORT

Airports

US airports served by flights to Europe (with % share of seat capacity), April 2009:
New York (JFK) NY (20.7%), Newark NJ (12.6%), Chicago IL (10.2%), Washington DC (7.5%), Atlanta GA (6.2%), Los Angeles CA (5.4%), Boston MA (5.2%), Miami FL (4.9%), San Francisco CA (4.4%), Philadelphia PA (4.2%), Houston TX (3.1%), Detroit MI (2.6%), Orlando FL (2.4%), Dallas/Fort Worth TX, Seattle-Tacoma WA, Minneapolis/St. Paul MS, Charlotte Douglas NC, Denver CO (all 1.0% or more), Las Vegas NV, Corington KY/Cincinnati OH, Orlando Sanford FL, Portland OR, Phoenix AZ, Memphis TN, Raleigh NC (all 0.3% or more), Baltimore MD, Tampa FL, Salt Lake City UT (0.2% each), Southwest Florida FL, San Juan PR (0.1% each) – a total of 30 airports.

European airports served by flights from the USA (with % share of seat capacity), April 2009:
London Heathrow (26.6%), Frankfurt (11.9%), Paris CDG (10.6%), Amsterdam (9.0%), Rome Fiumicino (3.9%), London Gatwick (3.4%), Madrid, Dublin, Munich (3.3% each), Zurich (2.9%), Manchester (2.3%), Brussels (2.1%), Düsseldorf, Copenhagen, Milan Malpensa, Barcelona, Shannon, Stockholm Arlanda (all over 1.0%), Moscow Sheremetyevo, Geneva, Istanbul, Warsaw, Vienna, Moscow Domodedovo, Lisbon, Athens, Keflavik, Glasgow (all 0.5% or more), Berlin Tegel, Edinburgh, Prague, Kiev, Helsinki, Belfast, Birmingham, Bristol, Hamburg, Oslo, Stuttgart, Paris Orly, Venice (all 0.2% or more), Budapest, Nice, Oporto, Lyon, Krakow, Pisa, Malaga, Nordela (0.1 each) – a total of 49 airports.

Airline Traffic / Capacity

Weekly flight/seat capacity from the USA to Europe (eastbound only):

	October 2008		April 2009	
Destinations	**Flights**	**Seats**	**Flights**	**Seats**
UK	861	230,483	776	211,443
Germany	427	117,322	399	109,087
France	302	76,448	282	69,272
Netherlands	240	63,382	210	56,612
Italy	166	39,623	143	33,810
Spain	113	26,790	115	28,734
Ireland	116	29,620	107	27,382
Switzerland	94	22,165	97	22,702
Belgium	59	13,868	59	13,239
Denmark	38	9,256	37	8,584
Russia	37	8,428	38	8,498
Sweden	28	6,734	26	6,079
Poland	13	3,101	19	4,617
Turkey	16	4,162	17	4,499
Portugal	22	4,855	19	4,324
Austria	17	4,166	14	3,524
Greece	17	4,025	12	3,090
Iceland	17	3,213	15	2,835
Czech Rep	11	2,269	10	2,062
Ukraine	7	1,535	9	1,970
Finland	7	1,974	5	1,440
Norway	7	1,281	7	1,281
Hungary	7	1,403	4	820
Latvia	1	230	0	0
Total	2,623	676,333	2,420	625,904

- Overall seat capacity has been reduced by 8% since April 2008 (although capacity to Spain, Russia, Poland and Turkey has risen by 15% or more).

Major US airlines serving European destinations:

	Seats	Airports served:		
	Apr 2009	**in Europe**	**in USA**	**(Principal 'hubs')**
Delta	62,415	32	4	New York JFK, Atlanta, Salt Lake City
American Airlines	54,960	12	7	New York JFK, Chicago, Fort Worth
Continental	52,694	25	2	Newark, Houston
United Airlines	50,605	10	5	Washington, Chicago, S. Francisco
Northwest Airlines	34,288	4	8	Detroit, Minneapolis/St. Paul, Boston
US Airways	25,847	14	2	Philadelphia

Major European airlines serving the USA:

	Seats	Airports served:	
	Apr 2009	**in USA**	**(listed in order of capacity)**
British Airways	74,726	18	JFK, Los Angeles, Boston, Chicago, Miami, S. Fran. Newark, Washington, Houston, Seattle-Tacoma, Philadelphia, Orlando, Phoenix, Atlanta, Denver, Dallas/Fort Worth, Baltimore, Tampa
Lufthansa	55,556	18	JFK, Chicago, Newark, Los Angeles, S. Fran, Boston Miami, Washington, Denver, Houston, Philadelphia,

			Dallas/Fort Worth, Atlanta, Seattle-Tacoma, Charlotte Douglas, Detroit, Portland, Orlando
Virgin Atlantic	40,198	10	Orlando, JFK, Newark, Los Angeles, S. Fran, Miami Las Vegas, Boston, Washington, Chicago
Air France	37,785	13	JFK, Los Angeles, Washington, S. Fran, Miami Boston, Houston, Atlanta, Newark, Chicago Detroit, Philadelphia, Seattle-Tacoma
KLM	17,941	8	JFK, S. Fran, Houston, Los Angeles, Washington Chicago, Atlanta, Dallas/Fort Worth
Aer Lingus	16,629	6	JFK, Boston, Chicago, S. Fran, Washington, Orlando
Swiss	13,601	6	JFK, Boston, Los Angeles, Miami, Chicago, Newark
Iberia	11,548	6	JFK, Miami, Chicago, Boston, Washington, San Juan
Al Italia	11,204	5	JFK, Miami, Boston, Chicago, Newark
SAS	9,410	4	Newark, Chicago, Washington, Seattle-Tacoma
LOT Polish Airlines	4,617	3	Chicago, JFK, Newark
Austrian	3,524	2	JFK, Washington
Turkish	3,474	2	JFK, Chicago
Icelandair	2,835	3	JFK, Boston, Orlando Sanford
Aeroflot	2,736	3	JFK, Los Angeles, Washington
TAP	2,599	1	Newark
Olympic	2,065	1	JFK
Finnair	1,440	1	JFK
CSA Czech Airlines	1,242	1	JFK
Aerosvit Ukrainian	1,150	1	JFK

- Other airlines operating between the USA and Europe include Jet Airways (operating from Newark and JFK to India via Brussels), LTU (operating from JFK and Miami to Düsseldorf), L'Avion (from Newark to Paris Orly), ET (from Newark to Rome Fiumicino), Eurofly (from JFK to Rome Fiumicino), British Midland (from Las Vegas to Manchester), Condor (from Las Vegas to Frankfurt) and Thomas Cook (From Orlando Sanford and Las Vegas to London Gatwick, Manchester and Glasgow). Some of these flights cater principally for European holidaymakers and others, such as Meridiana, Air One and First Choice appear seasonally or for short periods. The 'executive class' carriers, Silverjet and XL Airways, ceased operations in 2008. Some major Asian and Pacific carriers with flights routed through Europe offer a limited number of seats between the USA and Europe.

Breakdown of passengers by cabin class, 2008 (%):

	Economy/Coach	Executive/Business	First class
All travellers	84	13	4
Leisure travellers	87	9	4
Business travellers	65	28	7

TRAVEL PLANNING & BOOKING

Travel Formalities

- US citizens do not require visas for any EU countries, or for most other European countries, for tourist stays (business and leisure) of up to 90 days (counted from entry to the Schengen area). Exceptions include Belarus (visa required), Turkey (visas granted on arrival) and Russia (visa and sponsor required). Most countries require passports to be valid for six months after completion of the trip.
- The numbers of US citizens holding a valid passport (about 90 million early in 2009) remains low, but is rising rapidly, partly as a result of the phased implementation of the Western Hemisphere Travel Initiative (WHTI). The numbers of passports issued each year rose from about 7 million a year in 2000-03 to 18.4 million in 2007 and 15.7 million in 2008 (excluding 0.5 million passport cards, which are valid for travel only to Canada, Mexico and the Caribbean). Industry estimates put the share of those holding a passport among Americans aged over 25 with an annual household income of more than US$40,000 at 54%.

Travel Decisions

Overseas trips, 2008	Leisure/VFR	Business/events	All trips
Av days in advance:			
Decision to travel	104.9	53.4	96.2
Airline reservation	72.0	33.0	64.9
Used prepaid package (%)	15	3	13
Used pre-booked lodging (%)	46	67	49

Booking Methods

Overseas air trips, 2008 (%)	Leisure/VFR	Business/events	All trips
Personal computer	38	23	35
Travel agent	34	35	34
Airline (directly)	17	14	16
Company travel department	3	24	7
Tour operator	5	1	5

- Travel agents' share of air bookings have fallen steadily, from 62% in 1998 to 34% in 2008, and in 2008 they were overtaken by the 'personal computer' (though presumably a proportion of bookings though personal computers were dealing with travel agents).
- Travel agents report that 53% of their communications with customers take place on the phone (down from 72% in 2003), 32% on the internet – via their websites or email (up from 9% in 2003), and 15% face to face – walk-ins or appointments (down from 20%).

Information Sources

Overseas trips, 2008 (%)	Leisure/VFR	Business/events	All trips
Personal computer	42	30	40
Travel agency	30	33	31
Airline	27	25	25
Friends, relatives	15	7	14
Company travel department	3	24	6
Tour company	6	2	6
Travel guides/timetables	5	2	4
National/state/city tourist office	2	2	2
Newspapers/magazines	1	1	1
In-flight information systems	1	1	1

Internet & Media

- In 2007 there were 72.7 mn internet subscribers (23.4% of the population) in the USA, of whom 70.2 mn were broadband subscribers, and 221.7 mn internet users (72.5% of the population). These penetration rates are not particularly high, given the USA's affluence and modernity, but TNS Global reckons that adults in the USA spend 30% of their leisure time online – the USA ranks fifth in the world in this regard.
- The main search engines used in the USA in March 2009 (according to Hitwise) were Google (72.4% of all US searches), Yahoo! (16.4%), MSN (5.5%) and Ask.com 4.1%). A collection of information on the use of the internet in the USA is available in ETC's *New Media Trend Watch* at http://www.newmediatrendwatch.com.
- Among those interested in visiting Europe, some spend 7+ hours per week in search of information on the destination: watching cable TV (40%), watching network TV (39%), listening to radio (27% – outbound travellers prefer to listen to local radio stations), reading magazines (7% – including travel magazines, news magazines, home/garden and auto club magazines). The travel sections of Sunday papers have the best reach.

TRAVEL TRADE PROFILE

Tour Operators

- Over 250 tour operators (plus the airlines and a few hundred very small niche operators) sell Europe. The major operators are members of the US Tour Operators Association (USTOA), which claims just 46 'active members' (major, well-established, operators) with 134 brands, 11 mn customers and annual sales of over US$9 bn, as well as 240 'associate members' (smaller operators, common carriers and other suppliers) and 452 'associate members' (a wide range of companies and organisations involved in related activities) – a total of 740 members.
- Some tour operators belong to the National Tour Association (NTA). Important companies include Abercrombie & Kent, American Express, CIE Tours, Collette Vacations, Globus, Insight, Maupintour, Railtour Europe, Tauck, Trafalgar Tours and TUI Travel.
- Travel to Europe is also sold through other important groups, such as clubs and affinity groups (eg Alumni Holidays, IST Cultural Tours).
- All major cruise companies/operators offer Europe. Viking River Cruises is the leader for European river cruises.

Retail Travel Agencies

- 84% of the 23,000 accredited members of the American Society of Travel Agents (ASTA) belong to a travel agency consortium, including Vacation.com (27%), Travelsavers (10%), Carlson Wagonlit (9%), Results Travel (7%), Ensemble (5%), American Express (5%), Virtuoso (3%) and others 18%.
- A survey of the nature of ASTA's members and their operations is published as the *ASTA Agency Profile* on their website. In March 2009, they reported 50% of their business to be domestic and 50% international, 76% leisure and 24% business.
- PhoCusWright's latest report on the *Travel Agency Distribution Landscape 2006-2009* says that the travel agency distribution channel in the USA accounts for some US$110 bn in sales annually, or 41% of all travel booked in the USA.

Online travel

- The 2009 National Travel Monitor from Ypartnership/Yankelovich indicates that 34% of Americans visit search engines like Google, Yahoo and MSN before any other site when they are thinking about going on holiday. Around 23% consult the websites of NTOs and 22% online travel agencies and intermediaries like Expedia and Travelocity.
- The top travel portals/online travel agencies in the US market are Expedia, Orbitz and Travelocity. Other important players include: American Express Travel, Cheap Tickets, Hotwire, Priceline, Travel Now, Vacations to Go and Yahoo! Travel.
- The US average Cost-Per-Click in search in the Travel category stood at US$0.61 in March 2009, according to data and research by Efficient Frontier. This was down by 3% compared with the previous month.

KEY TRENDS AND FORECASTS

Key Characteristics of US Outbound Travellers

- Paid holiday entitlement in USA is short (2 weeks), which curtails the time available for holidays. However, retired Americans take longer holidays: 30% spent 15+ nights on their last holiday, compared with 12% of all other holidaymakers.
- Frequent travellers also stay away longer: 26% of those who took a long trip (4+ nights) in the last 3 years were away more than 15 nights, compared with 15% among less frequent travellers.
- Independent (FIT) travel is growing, but group travel is making a comeback among older, upscale travellers, especially as tour operators have introduced much more flexibility in tour programmes.

- The most recent Ypartnership/Yankelovich's National Leisure Travel Monitor showed that, despite the current economic environment, 25% of Americans planned to take more trips in 2009 and 55% the same number as in 2007. Concern about the economy is the major reason discouraging travel and few Americans still cite their inability to get time off work.
- However, IPK International's 2009 Crisis Impact Study, undertaken at the start of 2009, found that many more North Americans than Europeans said they plan to change their travel behaviour in 2009. Uncertainty over exchange rates, and the resulting cost implications for travel abroad, is undoubtedly one of the main causes.
- Even if the green shoots of recovery do start to be seen in the USA by the first quarter of 2010, as many predict, US outbound travel will likely lag some way behind, so any decline in outbound trip volume will persist into 2010.

Future Consumer Needs

- An older population – the oldest baby boomers are now well into their 60s – combined with ongoing changes in holiday-taking behaviour, is resulting in changing consumer holiday needs. And the Hispanic and African-American markets are gaining share of US outbound travel.
- Other increasingly popular sectors/products are spa/wellness tourism and cruising – including demand for both Mediterranean sea and European river cruises.
- Despite the growing trend towards FIT travel, US tour operators say that special interest/customised group travel is expected to grow, with older, more experienced travellers choosing to travel with like-minded people rather than on their own.
- Tours around a cultural theme (eg art and architecture) are increasingly popular and should be developed and marketed more widely.
- Group and package travellers are more likely to select hotels belonging to a well-known chain than independent travellers.
- US holidaymakers like shopping.
- Travel decisions and booking are being made later and later.
- Short trips (4-5 nights long) are gaining share of trips to Europe.

NOTES

a Multiple responses possible/percentages add up to more than 100%

e Estimates

f Forecasts

SOURCES OF INFORMATION

Principal statistical sources (by section):

- **Country Profile**: International Monetary Fund; United Nations Department of Economic & Social Affairs Population Division; Division; US Census Bureau
- **Travel Profile**: World Tourism Organization (UNTWO); Office of Travel & Tourism Industries (OTTI), US Department of Commerce, International Trade Administration; Cruise Lines International Association (CLIA); TourMIS
- **Profile of Travellers**: OTTI; The Travel Business Partnership (TBP) from various industry sources
- **Air transport/Airlines:** OTTI; SRS Analyser
- **Travel Planning and Booking**: OTTI; US State Department; American Society of Travel Agents (ASTA); U.S. Travel Association (USTA); *ETC Media Review*; International Telecommunications Union (ITU); TBP; World Travel Monitor, IPK International
- **Travel Trade Profile**: ASTA; US Tour Operators Association (USTOA); Cruise Lines International Association (CLIA); TBP

FURTHER INFORMATION

US Department of Commerce ITA Office of Travel & Tourism Industries	http://tinet.ita.doc.gov
U.S. Travel Association	http://www.tia.org
Bureau of Transportation Statistics	http://www.bts.gov
US Tour Operators Association (USTOA)	http://www.ustoa.com
National Tour Association (NTA)	http://www.ntaonline.com
American Society of Travel Agents (ASTA)	http://www.astanet.com
Airlines Reporting Corporation	http://www.arccorp.com
Cruise Lines International Association (CLIA)	http://www.cruising.org
ETC *New Media Trends Watch*	http://www.newmediatrendwatch.com

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