

# A PERIOD OF PROMISE

Looking ahead to the summer, consumer confidence is up, and so are prices — especially for those who aren't booking early, reports **Geri Bain**

IF PROJECTIONS ARE correct, 2014 will be a boom year for travel. In the annual US Tour Operators Association (USTOA) survey, more than 93% of operators anticipated a rise in sales for 2014; nearly two out of three forecast growth of 7-10% or more. Most attribute the increase to an improving economy and consumer confidence, and more than half expect business booked through agents to increase.

"Consumers went through a cycle of thinking they could do it on their own, but they are quickly coming to their senses, perhaps helped by the consistent messaging on the role agents play," says Terry Dale, USTOA president and CEO.

Interviewees all stressed the importance of booking summer travel in advance this year. On average, nearly two-thirds of trips are being booked six to 12 months or more ahead, according to the USTOA survey. In January, Dale said the industry was already seeing bookings for 2015. "Clients who think they'll snag something in the 11th hour may just miss out," he said.

During the economic crisis, the industry trained consumers to wait until the last minute to secure the best prices, but this summer, clients who wait will see higher prices, if not sold-out inventory, warns Randy Chomat, vice president, sales and marketing, Karisma Hotels & Resorts.

"My colleagues say they're being careful to offer the lowest prices for early booking bonuses so clients don't come back asking for rebates," he says. "We're already seeing sell-outs on key dates."

Nancy Yale, president of Cruise & World Travel in Fairfield, CT, has seen this first-hand. "When clients call to inquire about summer travel, we

tell them decisions need to be made quickly if they're not flexible with their travel dates," she says. "Many European river cruise sailings are already sold out for the summer. One client wanted a premium cabin on a Galapagos cruise and I couldn't book it until April 2015.

"Many people start exploring online and when they don't see the fares they thought they could get and can't use their miles, they get nervous and call us. We warn them that international fares will only go up."

Family travel, especially multigenerational trips, is among the strongest growth segments. More than two out of three tour operators are reporting a rise in this market, according to the USTOA. Multigenerational travel was also reported as the top trend in the 2014 Virtuoso Luxe Report (50%), followed closely by river cruises (44.8%) and active/adventure trips (43.8%).

Kyle McCarthy, founder of Family Travel Consulting, attributes this year's upsurge to an improved economy and pent-up demand. "Grandparents and parents are always worried kids will grow out of the family vacation habit and are poised to spend on enriching vacations as soon as they get the opportunity," she says.

The industry is moving to meet demand, with more kids' programs combining fun and education, notes McCarthy. "Enrichment is key when addressing grandparents, who are less likely than kids to see a new video arcade as a reason to choose a resort. Travel agents can appeal to boomers and mature travelers by promoting an educational component or unique experience that all ages can enjoy at a destination." ►

'Escorted tours are taking advantage of many more modes of travel and sprinkling in many more options and free time throughout a trip so tours feel more customized and personal'

### Talking trends

River cruising continues to be the fastest growing market, say 77% of USTOA members — it's also number two in the Virtuoso Luxe Report. "There's been an explosion both in consumer demand and product and now it's not just European river cruises," says the USTOA's Dale.

Also changing are the tour products. "Escorted tours are taking advantage of many more modes of travel and sprinkling in many more options and free time throughout a trip so tours feel more customized and personal," Dale adds.

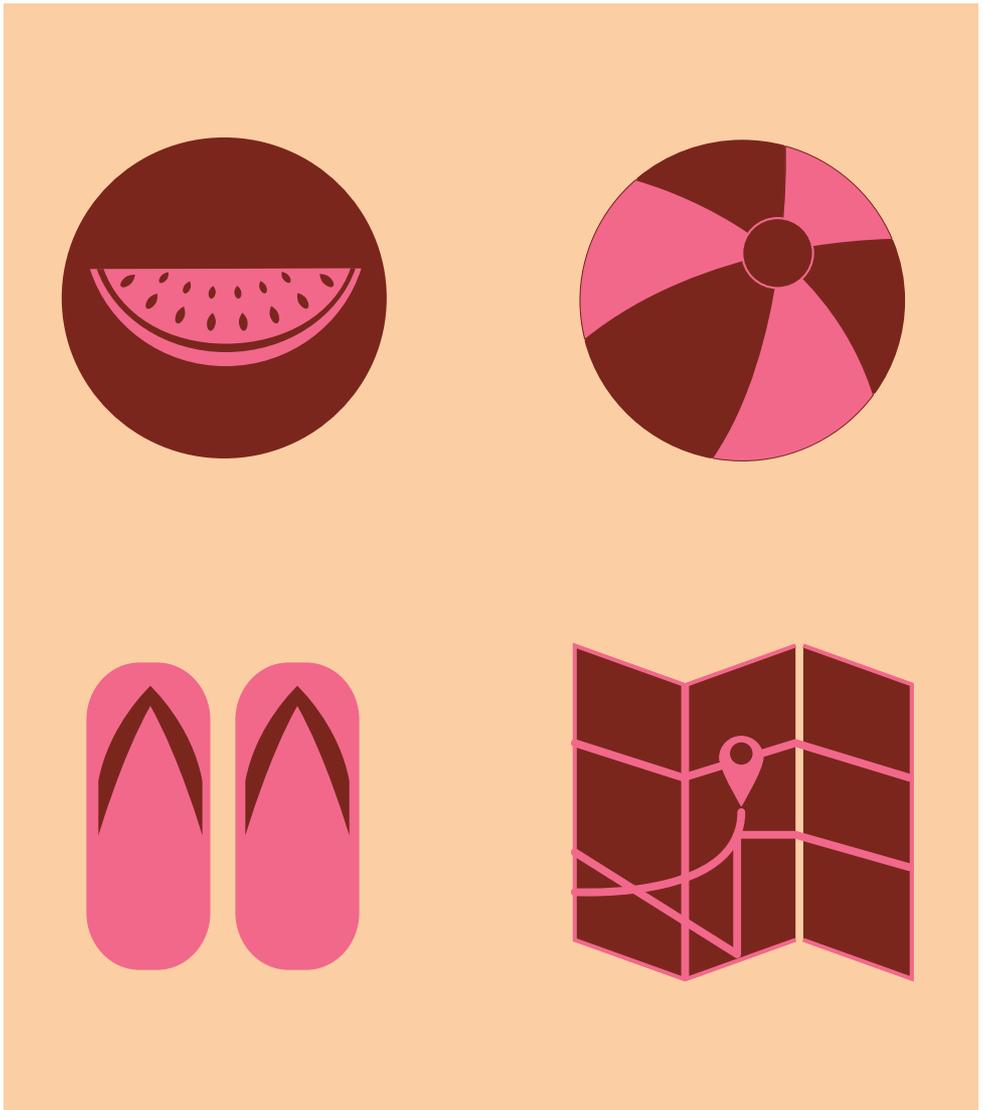
As for global regions, nearly 40% of USTOA operators named Europe for the top spot. Asia ranked second at 21%, followed by South America at 12%. In terms of specific destinations, USTOA respondents predicts Italy, the UK, China and Peru will be the most popular for 2014.

The 2014 Virtuoso Luxe Report had a slightly different line-up. Perennial favorite Italy was top, while France came third for international destinations, but adventure destinations South Africa, Australia and, for the first time, New Zealand appeared in the top five as well.

In the Caribbean, according to Delta Vacations, hotspots include the Dominican Republic, Jamaica, Aruba, the Bahamas and St Lucia. "In addition to offering great value, most of the top destinations have increased room capacity and improved transportation and infrastructure," says MLT Vacations president John Caldwell.

Within the US, meanwhile, New York claimed top spot in the Virtuoso Luxe Report, followed by Maui, Napa Valley/Sonoma, Las Vegas and Hawaii's family-friendly Big Island.

The USTOA and Virtuoso surveys differed on emerging destinations. In the USTOA survey, Burma topped the list for the second year in a row, Vietnam and Cambodia held second place, and India ranked third in the emerging destinations category, while in the Virtuoso report, Cuba topped the emerging list followed by Burma, Vietnam, the Galapagos and Bhutan. ■



### ONES TO WATCH

■ **BHUTAN:** Regularly cited as 'the happiest place on earth' in the travel press, Bhutan is considered way off the beaten track for US travelers, but not in so far that Amanresorts, Six Senses and other luxury hotel groups haven't begun to make the country's authentic rich traditions accessible.

■ **BURMA:** Open to westerners after decades of isolation, Burma is high on the wish list of adventurous travelers who want to experience an authentic non-western and strongly Buddhist culture. Several US tour operators have added it to their rosters.

■ **GALAPAGOS:** These islands, 600 miles off the coast of Ecuador, appeal to travelers of all ages,

who, like Darwin, are thrilled by the amazing variety of wildlife — and can choose from a growing array of tours.

■ **NEW ZEALAND:** Home of bungee jumping and countless sports you've never heard of, New Zealand is a true adventurer's dream. And its appeal is bolstered by the fact the wild lands of the *Lord of the Rings* and *Hobbit* films were filmed entirely in the country.

■ **PERU:** Visitors are traditionally drawn to the ancient mountain-top city of Machu Picchu; now foodies are increasingly discovering Peru's eclectic cuisine, including ceviche, pisco and a rare, rich chocolate, with its own museum in Cusco.