

USTOA REVEALS ECONOMIC IMPACT OF MEMBERSHIP AND INDUSTRY FORECASTS

2014 Tour Operator Survey Monitors Business Trends, Top Travel Destinations, and More

NEW YORK – December 5, 2014 – A biennial economic impact study by PriceWaterhouseCoopers LLP (PwC) found that active members of the [United States Tour Operators Association \(USTOA\)](#) contributed \$12.5 billion to the U.S. tour operator industry in 2013, representing more than 7.6 million individual travelers. Furthermore, the membership projects a healthy increase in sales in 2014 of 8.7% to \$13.5 billion, with a 4.7% increase in individual travelers, to nearly 8 million.

Member operators are confident about business in 2015: 95% anticipate a growth in sales in 2015. Of that majority, two thirds (62%) forecast “optimistic” to “boom year” growth with sales approaching 10% or more. A little less than a third (29%) remain cautiously optimistic that sales will increase 4-6% in 2015.

“Since PwC started monitoring the economic footprint of our tour operator members two years ago, USTOA has been able to use this data to build and strengthen the association’s role in advocacy for our membership as well as understand the full impact of the revenues and jobs generated,” said Terry Dale, president and CEO of USTOA. “It’s vital to track these economic and travel trends to fully appreciate how USTOA’s active tour operator members impact the industry overall,” Dale continued.

On the jobs front, active members report employing 11,800 people within the US. Total wages paid by members in 2013 amounted to \$843 million. In 2014, members project an increase of 4.7%, or 12,350 jobs, and an 8.9% increase in wages to \$917 million. More than half respondents (57%) plan to increase staff in 2015.

Dale stated, “Travel agents continue to contribute significantly to our member’s businesses and remain an important piece of the sales chain.” Adding that active members reported travel agencies represented two-thirds (67%) of total packages sold in 2013.

Among other vital statistics revealed at USTOA’s Annual Conference & Marketplace, held at Boca Raton Resort in Boca Raton, Florida, December 5-7, 2014:

- Active members were responsible for more than 16.3 million hotel room nights booked in 2013.
- Airline seats sold in 2013 were 4.55 million, with 4.7 million projected to sell in 2014 for an increase of 3.2%.
- Total travel packages sold number 3.7 million in 2013; in 2014, this is expected to grow 8% to 4 million travel packages.
- Purchases of goods and services for travel packages, including air, rail, cruise, ground transportation, accommodations, dining, and sightseeing/attractions, was \$9.4 billion in 2013; with a projected increase of 5% to \$9.9 billion in 2014.

Who’s Traveling

When asked who’s traveling, members responded that about half of their customer base is baby boomers at 50 years of age and older. The next largest age group was 36 to 50 years old representing 26% of customers. Two thirds (66%) of business booked was by US residents traveling to international destinations, with 21% by US residents traveling domestically.

Top Destinations and Trends

When asked to name the top ten destinations for travelers in 2015, active members ranked Italy as number one, followed by United Kingdom, China, Peru, France, Mexico, Australia, South Africa, Brazil and Vietnam.

For the third year in a row, respondents named Myanmar the top “emerging” country they foresee becoming increasingly popular in 2015, followed by Cuba, Croatia, Iceland, India, Peru, Sri Lanka, Vietnam, Cambodia, and Panama.

“What’s really interesting about these results is that Cuba debuted at the very impressive position of second behind Myanmar,” added Dale. “This validates current and growing demand for travel to Cuba and further reinforces our positioning and support of an ‘Open Borders’ policy.”

Based on revenue of sales, USTOA tour operator members reported California, Hawaii, New York, Florida, Nevada, Arizona, Washington DC, Alaska, Puerto Rico and Texas the top 10 domestic destinations for 2014. The top ten international destinations for 2014 were Mexico, Jamaica, Dominican Republic, France, Italy United Kingdom, Aruba, Bahamas, Germany and Costa Rica.

Demand for experiential and culturally immersive travel remains high with members offering programs in a variety of categories. Nearly three fourths (71%) of USTOA membership provide travel and tour packages that offer art and culture, and family/multi-generational programs, with 64% offering culinary and more than half (57%) providing adventure focused packages. When asked to rank the programs based on sales, multi-generational/family, art and culture, and adventure rank consecutively the highest.

Potential Threats

While USTOA members view the upcoming year optimistically, they cited potential threats to the positive outlook. Three-fourths (74%) of members named natural disasters, followed by pandemics and other health crises (67%), as the leading concerns that could impact their growth prospects in the next three years. The next potential threat was strength of the US dollar, followed by global financial stability, terrorism and lastly, political instability.

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 \$12.5 billion in revenue, the member companies of U.S. Tour Operators Association provide tours, packages and custom arrangements that allow 7.6 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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