



## **Team North America**

**Chicago Los Angeles New York San Francisco**

# **MARKET TRENDS AND OPPORTUNITIES**

## **Tourism Marketing Workshop**

**Manila, Philippines 10-12 October 2012**

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# Historical Outbound Travel Data United States, 2011



## U.S. Resident Outbound Market

Total 58.7 Million

Growth Rate - 3%

**Growth of Travel to Overseas Region** 5%

except U.S. & Mexico

## Top Destinations Among U.S. Residents

Mexico 20.1 Million

Canada 11.6 Million

United Kingdom 2.4 Million

France 1.8 Million

Italy 1.7 Million

Source: OTTI, US Dept. of Commerce

# Historical Outbound Travel Data United States, 2011



**Total Overseas Travels to Asia**

**5.11 Million**

**% Share from Asian  
Outbound Travels**

<b>Country</b>	<b>Volume</b>	
• China	1,100,000	21.6%
• India	945,000	18.5
• Hong Kong	669,000	13.1
• Japan	587,000	11.5
• <b>Philippines</b>	<b>521,000</b>	<b>10.2</b>
• Taiwan	521,000	10.2
• Korea	470,000	9.2
• Thailand	317,000	6.2
• Singapore	194,000	3.8

Source: OTTI, US Dept. of Commerce

# Travel Trends and Preferences United States



## General Travel Trends

U.S. Travelers go for Beach Vacation	44%
Cultural Trips	42%

Source : Trip Advisor Study 2011

## Luxury Travel Trends

Forbes Online Travel Study indicated the following:

1. Increasing number of younger, more affluent travelers, especially younger families who are seeking to do something new and adventurous with their young children.
2. Travelers are looking for more “off the beaten path” locations for their next travel destination
3. Travelers are looking for all-inclusive travel options, wanting all the amenities and services in one bill

# Travel Trends and Preferences United States



## **Business Travel Trends**

Travel Leaders Group Survey in 2012 showed the following:

80% of travel agents said that their bookings of corporate travel is as high as in 2011.

55% reported that business travelers opt for 'luxury' and 'upper upscale' accommodation.

## **Adventure and Lifestyle Travel**

Hotelnewsnow.com conducted a survey and reported the ff:

U.S. travelers stay away from destination-based travel to experienced-based travel.

They want to "stray away from beaten path and understand how the locals live, work and play.

More potential travelers inquiring on cultural and educational travel including exposure to local cuisine and historical landmarks



# Travel Trends and Preferences United States



## Rise of Asian Americans

Pew Research Center made a study on the Asian-American population and reported the following:

Asian-American population (2010)	16.5 million
Share of Total U.S. Population	5.0 %
Projected Growth (2010-2020)	31.0 %

## U.S. Census 2010

Asian Group	Total In Million	% of Asians
Chinese	4.01	23.2
Filipino	3.42	19.7
Indian	3.18	18.4
Vietnamese	1.74	10.0
Korean	1.71	9.9
Japanese	1.30	7.5

# Travel Trends and Preferences United States



## Global Travel Trend Forecast

Results of Amadeus study entitled The Travel Gold Rush 2020

Global arrivals in 2020	1.34 billion
Growth arrivals in 2010	898 million
Growth Rate, 2010 to 2020	49.22 %

Asia-Pacific Region Share, 2020	24 %
Growth Rate, 2010 to 2020	22.8 %

### Global Spending of Visitors

2010	\$ 1.08 billion
2020	\$ 2.16 billion
Growth Rate, 2010 to 2020	200 %

# Historical Outbound Travel Canada, 2011



## Outbound Overseas Canadian Travelers, 2011

Number 30.41 Million      Growth Rate 5.30 %

### Top Destinations of Canada Outbound Travel

1. United States	19,964,000	65.65%	9. China	300,000	0.99%
2. Mexico	1,354,000	4.45	10. Netherlands	225,000	0.74%
3. Cuba	1,010,000	3.32	11. Spain	217,000	0.74
4. United Kingdom	880,000	2.89	12. Hong Kong	183,000	0.60
5. Dominican Rep.	753,000	2.48	13. Jamaica	166,000	0.55
6. France	740,000	2.43	14. Ireland	160,000	0.53
7. Italy	376,000	1.24	15. Switzerland	143,000	0.47
8. Germany	329,000	1.08			
			PHILIPPINES	117,000	0.38

Source : Statistics Canada, DOT



# Canadian Tourism Market

- Top destinations of Canadians during January and February are “sun destinations”, such as Las Vegas, Los Angeles, Cancun, Miami
- 78% of Canadian leisure travelers use the internet to gather travel information, looking for specials, photos, maps, amenities, and guest testimonials
- 68% of Canadian business travelers use the internet to gather travel information, searching for hotel ratings, guest testimonials, videos, travel blogs, and using social media

- Source: Canadian Hotel Association



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## Influences of Technology on Travel

PhoCusWright Inc. conducted a study entitled “When they Get There, and Why They Go” indicated the following:

1. Mobile technologies, social networks and location-based search have huge influence on consumers’ trip planning.
2. Three (3) in four active travelers use a mobile device while traveling. Two-thirds (2/3) say they are likely to research, shop and book travel activities via their mobile devices. Consumers are most influenced by web content, such as, interactive maps, blogs and social networks.
3. Social media will continue to expand in importance as travelers increasingly depend on reviews, videos and personal recommendations from friends in making vacation plans and selecting activities.

## Technological Influences on Travel

5. Destinations, hotels and travel attractions should adapt to the fast-changing digital landscape by having a mobile-marketing strategy that are consumer-friendly mobile applications wherein consumers will be able to access targeted information, promotions and offers when they need most and are making decisions.
6. Shipment of smart phones are expected to exceed PC shipments for the first time, while iPad sales would grow by 45%, from 43.7 million units in 2011 to 63.3 million units in 2012.

# Profile of Travelers United States



## U.S. Residents Traveling to Asia, 2011

Average Age (Years)	: Male	44
	Female	41
% of Males Among Adults		58%
Average Household Income		\$103,600
Average Travel Party Size		1.4
Average Length of Stay (in nights)		25
Type of Accommodation (Hotel)		49%
Average Advance Trip Decision Time (days)		71
Prepaid Package		6%
First International Trip from the U.S.		9%
Number of Countries Visited (% of 1 country)		81%

Source : US Department of Commerce



# Profile of Travelers United States



## Main Purpose of Travel

Visit Friends and Relatives	53%
Business Travel	24
Leisure/Recreation/Holiday	18
Study/Teaching	3

## Activities Undertaken

Dining in restaurants	83%
Shopping	78
Visiting Historical Places	44
Sightseeing in Cities	40
Visiting Small Town and Villages	32
Visiting Cultural Heritage Sites	30
Touring Countryside	26
Going to Amusement/Theme Parks	17
Visiting Ethnic Heritage Sites	15
Visiting Art Gallery/Museum	15

## Canadian Travel Habits

1. Canadians are intrepid travelers (daring and adventurous).
2. Highly seasonal travelers; December to March is the peak period as they wish to escape the northern winter.
3. Like their U.S. counterparts, university and college students tend to research their summer holiday options in the early part of the year and book soon afterwards.
4. About 78% of Canadian travelers book their travel needs via online. Tour wholesalers are increasingly leveraging online channels.



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## **TAKING ADVANTAGES OF MARKET TRENDS AND OPPORTUNITIES**

1. Develop and promote beach vacation, adventure and cultural trips, especially targeting the Canadian travelers during winter period from December to March.  
Projects : Participation in Travel and Adventure Shows in Chicago, Dallas, LA, SF, NY, Toronto and Vancouver  
Travel trade partnership and support in terms of brochure support, presentations and joint ad campaign.
2. Growing trend of travelers looking for cultural experiences  
Projects: Partnership with travel trade and groups offering cultural programs like Educational Travel Conference (ETC)  
Partnership with cultural institutions in organizing cultural programs like Asian Art Museum



## **TAKING ADVANTAGES OF MARKET TRENDS AND OPPORTUNITIES**

### 3. Increasing Number of Asian-American Travelers

Projects : Partnership with tour operators, travel agents and airlines in developing and promoting destination twinning. Activities include fam tours, joint promotions and presentation to travel trade executives and Asian-American groups like Chinese, Vietnamese, Korean, Japanese and Indians  
Joint Promotion and Advertising Campaign

### 4. Offering Tour Programs for Visit Friends and Relatives (VFR)

Projects : Filipino Homecoming Programs like the Ambassadors, Consuls General and Tourism Directors Tour(US & Canada) Dev't and Promotion of Tour Packages for Balikbayans.  
like the It's More Fun Tours developed with PAL and tour operators in LA and SF, and soon in Vancouver and Toronto.



## **TAKING ADVANTAGES OF MARKET TRENDS AND OPPORTUNITIES**

5. Development and Promotion of Experience-based Tours in addition to Destination-based Travel especially for adventure, lifestyle and culturally-oriented tourists.

Projects : Partnership with tour operators, travel agents and airlines in developing and promoting experience-based tours. These include diving, golfing, bird watching and culinary experiences. Ex. Conduct of Kulinarya Competition and Food Festival in Los Angeles and San Francisco.

6. Conduct of Mass Media Campaign

Projects : Outdoor Advertisements (Billboards, Bus Shelters)  
Transit Advertisements (Buses, Cable Cars)  
TV with Online and Social Media campaign

## **TAKING ADVANTAGES OF MARKET TRENDS AND OPPORTUNITIES**

### 7. Technological Influences on Travel

Projects : Online Promotions and Advertisements in Expedia,  
Sport Diver, Scuba Diving

Promotions/Ads in Social Media and Video Streaming  
Platforms like Facebook, Twitter, Youtube

Develop an interactive website that provides  
relevant information for trip planning, blogs and  
tour offerings.

Develop consumer friendly apps for mobile  
devices with book and buy features, videos, etc.



**Thank you and Mabuhay!**

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