



Key Findings:

ETC-UNWTO Study on the US Outbound Travel Market

- with Special Insight into the Image of Europe as a Destination

Economic Situation

- Consumer confidence is returning and the US travel industry is predicting modest growth in travel to Europe in 2012.
- In spite of a downward revision of the US economic growth forecast by the White House from 2.7% to 1.7% in September 2011, US tour operators predict that Americans will gradually return to Europe in growing numbers. Demand for Europe, which has been pent-up since the start of the global economic crisis in 2008, is likely to see numbers return to 2008 levels by 2014 and continue to grow thereafter.
- This will be helped by a strengthening of the US dollar against the Euro, with the Bank of America predicting that it will only take US\$ 1.30 to buy 1 Euro by the end of December 2011.

Europe's Appeal

- Europe remains an aspirational 'must-see' destination for Americans. Its appeal is deeply embedded in the American mind.
- Its appeals are its diversity, and in particular its history, culture and hospitable people. It offers Americans the opportunity to immerse themselves in the European way of life, to get under Europe's skin, and to feel almost like an 'honorary local' during their visit in a way that few other destinations do.
- Europe's famous cities, its scenic landscape and range of gastronomic experiences make it 'familarly different' for American visitors. Europe is also perceived as 'compact' and safe; and it is easy to communicate, because English is widely spoken throughout Europe.
- *"It's about the experience that the European market can create for the American traveller. Almost second to none." (US tour operator)*

Travel Profile and Behavior

- Most US travellers to Europe visit only one country per visit (70%). They live mostly in the Middle Atlantic States (30%), the South Atlantic States (25%) and Pacific States (14%). New York is the largest source of visitors to Europe (17%), followed by California (11%).
- Most Americans travel as couples, they tend to be middle-aged – older, wealthier and better-educated than the average.
- There is some evidence of a growth in multi-generational travel (i.e. grandparents, parents, children), while travel to Europe for educational reasons can confer 'bragging rights' on children's return to school.
- They travel mostly in the May-September period, peaking in the summer months, and stay for an average of 18.3 days. However, shorter breaks of 1-2 weeks are growing, largely as a result of economic pressure.
- Americans want to feel safe, but they also want to travel off-the-beaten-track – a challenge for both destinations and tour operators to deliver. And, although travellers to Europe tend to be more financially resilient than many, they are still keen on finding value for money at every turn.

Europe's Competition

- Europe's sustained appeal may seem slightly surprising, in light of the USA's demographic changes. According to the US Census National Population Projections, the white non-Hispanic population will decrease by almost a third between 1990 and 2050 (from 75.7% to 52.5%) and the population of Hispanic origin will more than double during the same period (from 9% to 22.5%).
- Europe's main competition comes from Central and South America, as a region offering history, culture and friendly people, which is relatively accessible. This competition is likely to increase as more people discover Central and South America and the Hispanic proportion of the US population grows.

How Do People Book?

- When seeking information on where to go, US travellers still trust human and traditional sources over digital ones: family and friends (81%), and guidebooks (57%), followed by online travel agents (54%), online travel advisory sites (53%), company sites and travel agents (46%), media coverage (43%) and brochures (39%) over blogs (33%), travel advertising (27%), Facebook/Twitter (19%) and YouTube (14%)¹.
- However, when it comes to booking, it would seem that the shift from offline (travel agents) to online has stabilized, with around 60% still booking via traditional travel agents and central reservations systems or walk-ins, compared to 38% via supplier-branded and online travel agencies².
- Mobile devices (and particularly i-pads and smart phones) tend to be used mostly for finding domestic travel information (e.g. finding restaurants and checking flight times), rather than for international travel. However their use for overseas travel is likely to grow, with tablets being increasingly used as an indispensable travelling companion – and probably even overtaking smart phones – for both pre-departure information and in-destination information.

¹ Source: European Travel Commission, New Media Trend Watch (2011)

² Source: PhoCusWright U.S. Online Travel Overview – Tenth Edition: Packaged Travel

The Future

- The USA will remain a strong outbound market for the foreseeable future. While, in percentage terms, outbound growth from the Asia-Pacific, Middle East and Latin America will be higher, volume growth will be greater from North America, with a projected increase of nearly 48,000 trips abroad (+47%) and an increase of almost US\$ 94,000 million (+66%) spend abroad by US residents between 2010 and 2020.³
- Although Europe remains an aspirational destination for Americans, the challenge for European destinations and tour operators will be to provide value for money and enable visitors to stray safely off the beaten track, where they can immerse themselves in real European life, find 'hidden gems' and intensely personal experiences by participating and engaging with Europeans and gaining a privileged insight into their way of life – as a 'locals'. This means guidance rather than packaging, opportunities for self-discovery rather than manufactured attractions, and above all, being treated as visitors and travellers, not as "tourists".
- And, although they may continue to favor traditional travel agents (60%) over online sources (40%) for booking their trip, US visitors will increasingly find what they are seeking in their destination from their tablets, which will become an indispensable travelling companion.

³ Source: Amadeus / Oxford Economics (November 2010), *The Travel Gold Rush 2020*