



VisitTheUSA.com

Brand USA

Market Trends Update

June 2, 2019





VisitTheUSA.com

India

June 2019

Sheema Vohra

Managing Director, India



Market overview



1.3 billion population

Fastest growing economy in the world

Third largest economy by 2025

Youngest population globally - **average age of 27 years**

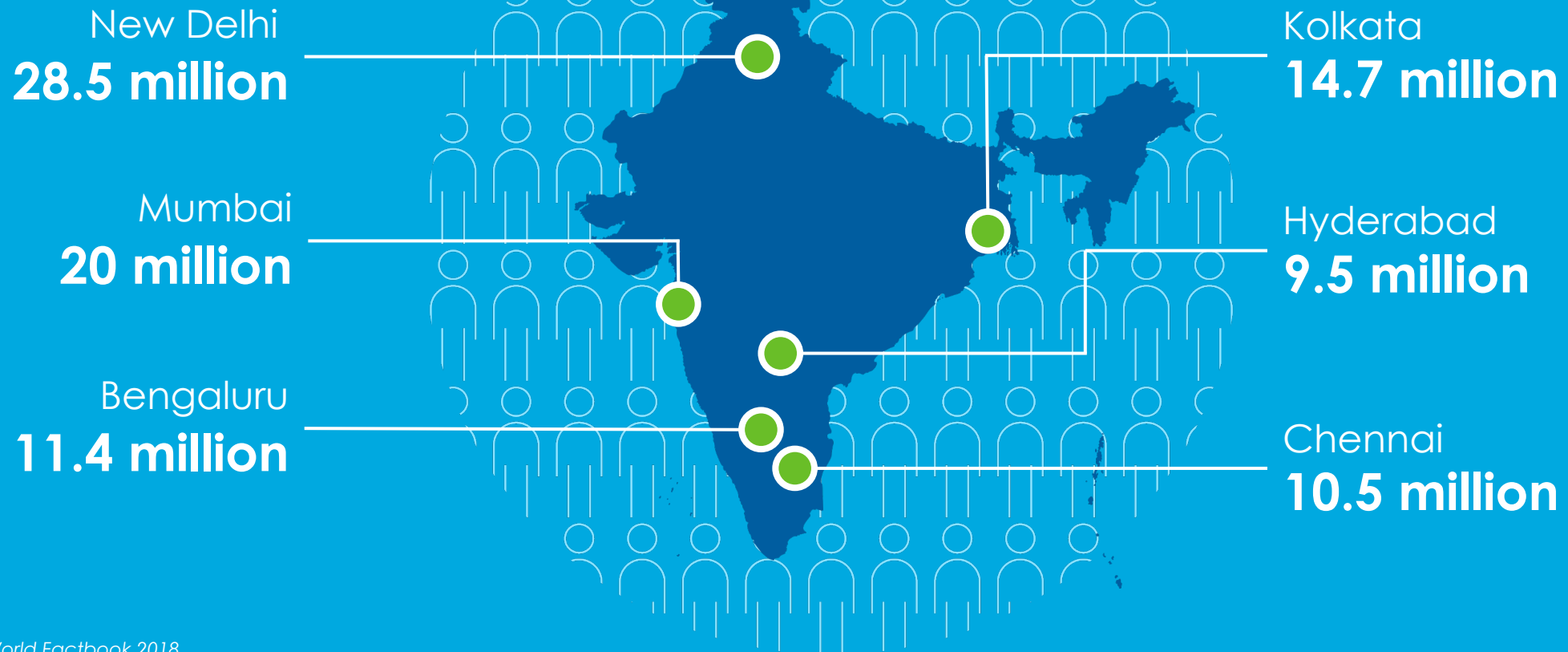
India accounts for **19% of the total world's population** in the **20-34 years age group**

Regional diversity (North/South/East/West India)

Growing middle and affluent classes

Largest metropolitan areas

Over 60 cities with million+ population



Indian gateways

32

National
airports

105

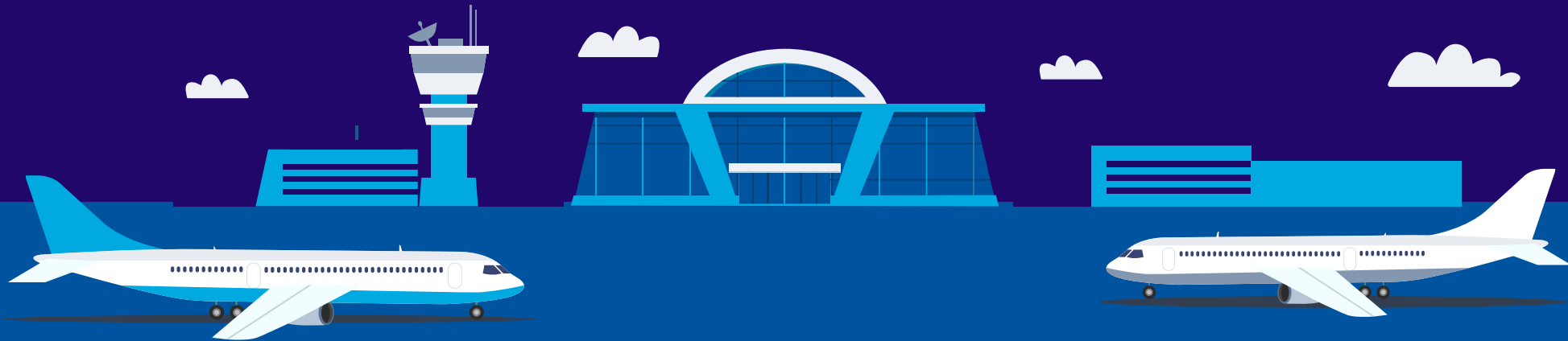
Regional and
local airports

1.3

Million aircraft
movement

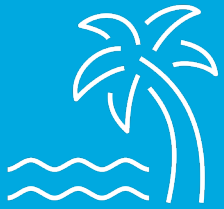
Delhi-Mumbai air route was ranked as the third busiest in the world where 47,462 flights operated between the two airports – 130 flights every day.

Over 183.90 million passengers per year



Source: OAG Aviation Worldwide "Busiest Routes 2019" Report; Airport Authority of India, Directorate General of Civil Aviation-India

Key motivators



**Beaches/seaside
attractions**



Shopping



Local lifestyle



**Cultural/historical
attractions**



**Ecotourism
and nature**



Indian traveler profile



Millennials



Family



Luxury



Honeymooners



Special interest
culinary, events,
outdoor



Bleisure



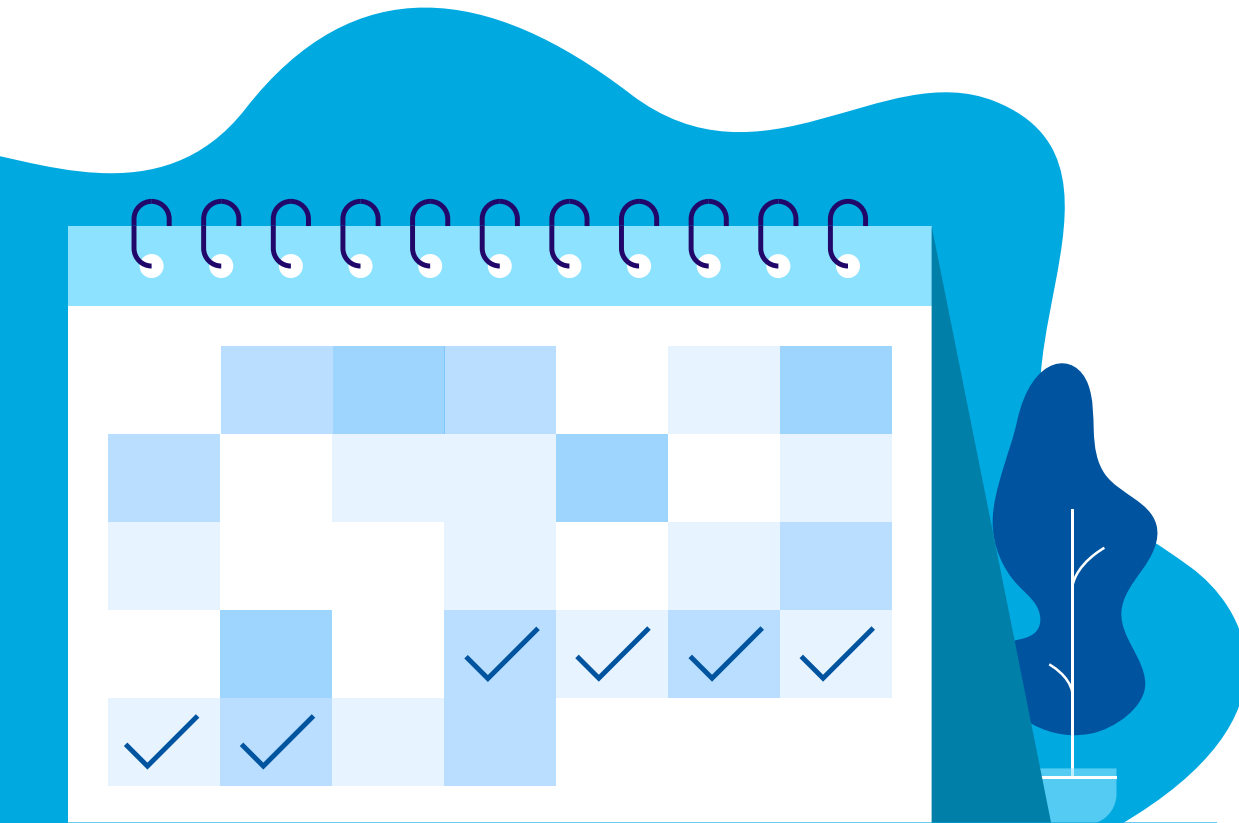
Students



VFR

Source: Expedia CAPA India Outbound Travel 2018, Amadeus- Future Traveller Tribes 2030; U.S. Department of Commerce, ITA, National Travel and Tourism Office

Main holiday season



April - July:

Summer holidays
School vacations

October – November:

Diwali/Dussehra
Fall holidays

December

Christmas/New Year
Winter holidays

Top 10 popular states among Indians



1.

New
York

2.

California

3.

Hawaii

4.

Florida

5.

Washington

6.

Alaska

7.

Texas

8.

New Jersey

9.

Mississippi

10.

New Mexico

Traveler trends



Indian travelers are well informed, sophisticated and educated

High End Travelers – over the top luxury, experiences beyond hotels

Growth in all market segments

Spend more on quality

Bleisure – Growing Opportunity: beyond gateways, road trips, culinary, shopping

Baby Boomers – fast growing market

Curated local experiences

Source(s): B2C/B2B surveys in collaboration with travel trade media partners/tour operators/pan India travel trade database; UN World Tourism Organization (UNWTO)

Traveler trends

Millennials – traveling with friends/solo trips/family.
Immersive local experiences , outdoor, road-trips ,
consider non-hotel lodging options e.g. Airbnb

Growth in affluence

VFR – changing profile

Mobile connectivity and eCommerce

Change in social structure

Social media ranks high as travel influencer

Evolving spending patterns-high spenders

Source(s): B2C/B2B surveys in collaboration with travel trade media partners/tour operators/pan India travel trade database, ; E&Y Report, ASSOCHAM 2018



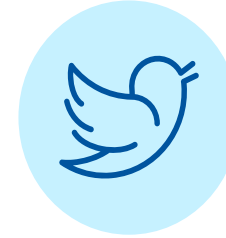
Digital trends



Facebook
Largest, 300 million
active users



Instagram
75 million
active users



Twitter
7.65 million
active users



LinkedIn
54 million
active users

The total mobile users in the country
stood at **1.19 billion** in Q1 2019

Unique mobile users:
844 million

Source : Internet & Mobile Association of India (IAMAI), Hootsuite.

Increasing airline lift

As per Expedia CAPA India Outbound Travel 2018 report, 34.5 million outbound departures are projected from India in 2025.



Via Atlantic

British Airways	----->	49 weekly flights	----->	26 U.S. cities
Lufthansa Airlines	----->	42 weekly flights	----->	18 U.S. cities
Virgin Atlantic	----->	7 weekly flights	----->	10 U.S. cities
Alitalia	----->	7 weekly flights	----->	6 U.S. cities

Direct to USA

Air India	----->	36 weekly flights	----->	5 U.S. cities
United Airlines	----->	14 weekly flights	----->	Newark

United Airlines has announced a “daily nonstop seasonal service” between Delhi and San Francisco from December 2019

Increasing airline lift

As per IATA's 20-year Air Passenger Forecast (October 2018), India will be the third largest aviation market by 2024.

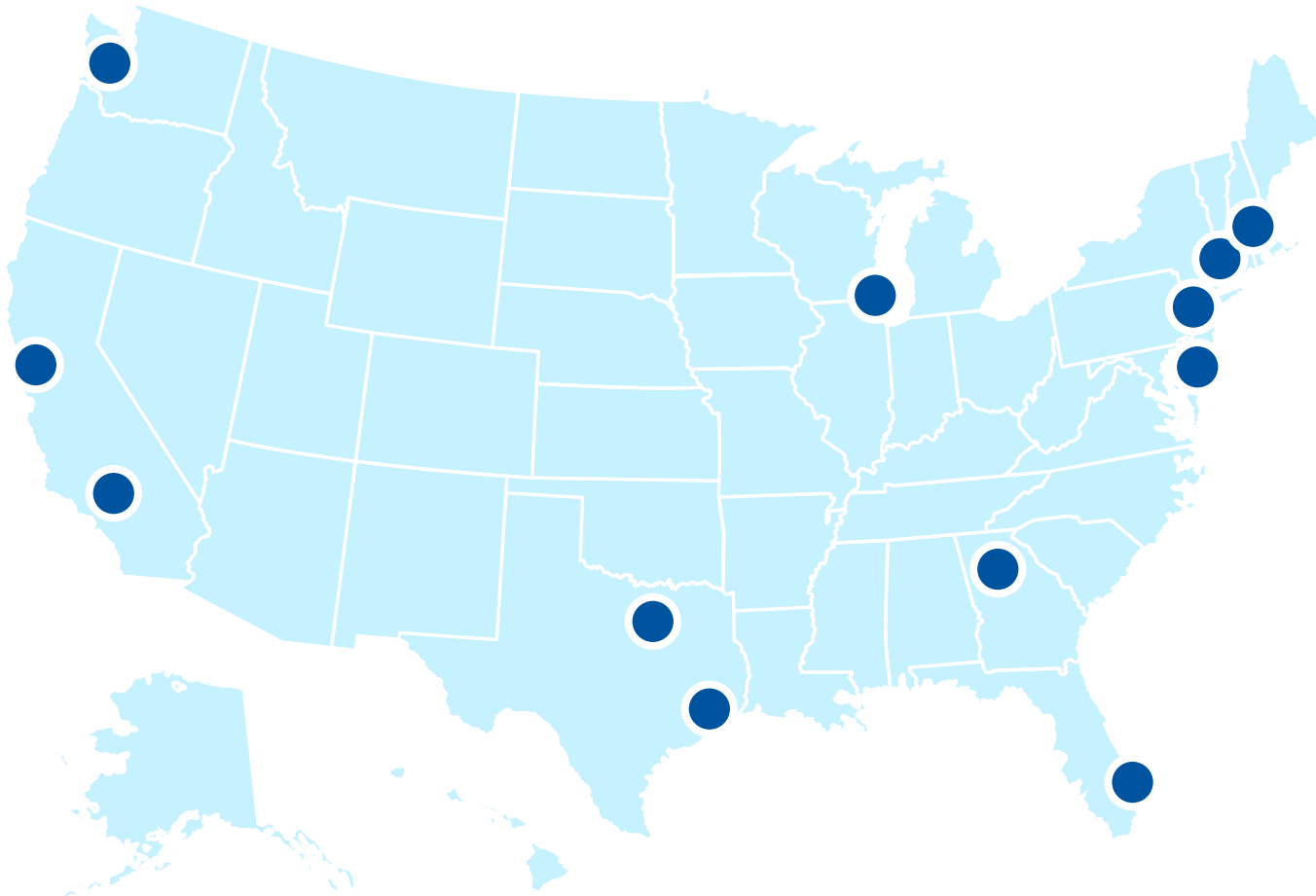
Via Pacific

Cathay Pacific	----->	48 weekly flights	----->	6 U.S. cities
Singapore Airlines	----->	93 weekly flights	----->	4 U.S. cities

Via Middle East

Emirates Airlines	----->	164 weekly flights	----->	11 U.S. cities
Etihaad Airways	----->	154 weekly flights	----->	4 U.S. cities
Qatar Airways	----->	102 weekly flights	----->	10 U.S. cities
Turkish Airlines	----->	75 weekly flights	----->	9 U.S. cities

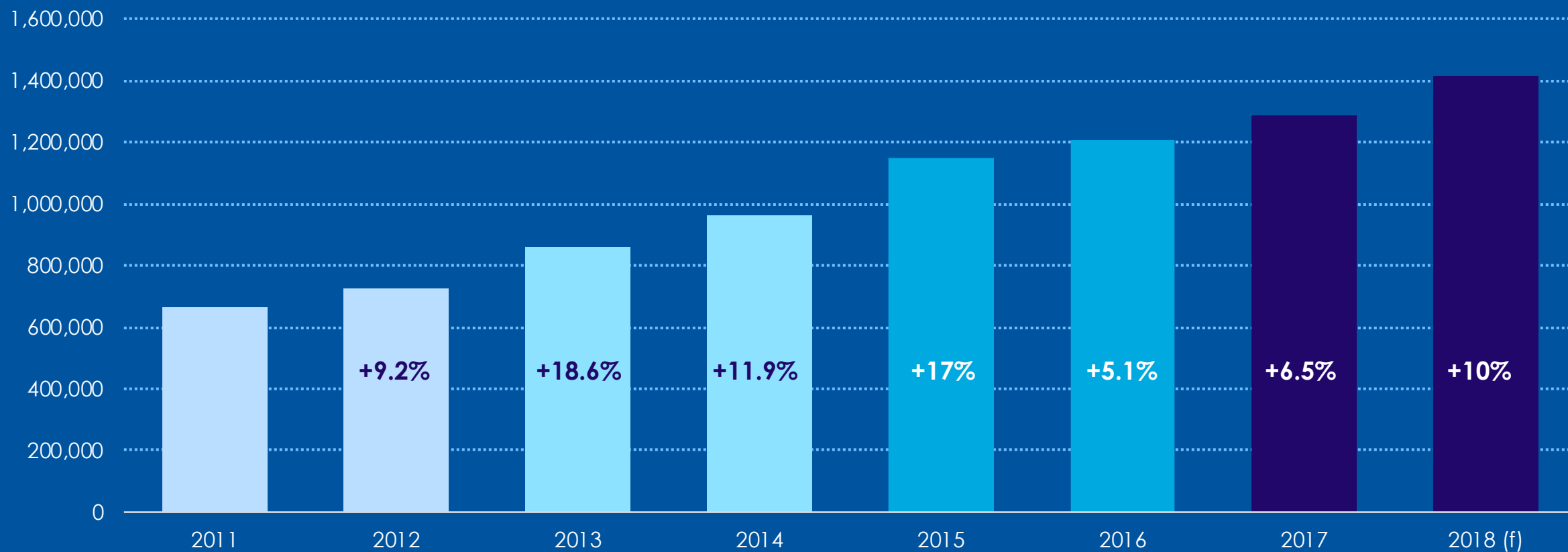
Major gateways



Boston, MA
New York, NY
Newark, NJ
Washington, D.C.
Chicago, IL
Atlanta, GA
Miami, FL
Houston, TX
Dallas, TX
Los Angeles, CA
San Francisco, CA
Seattle, WA

Indian arrivals into the USA

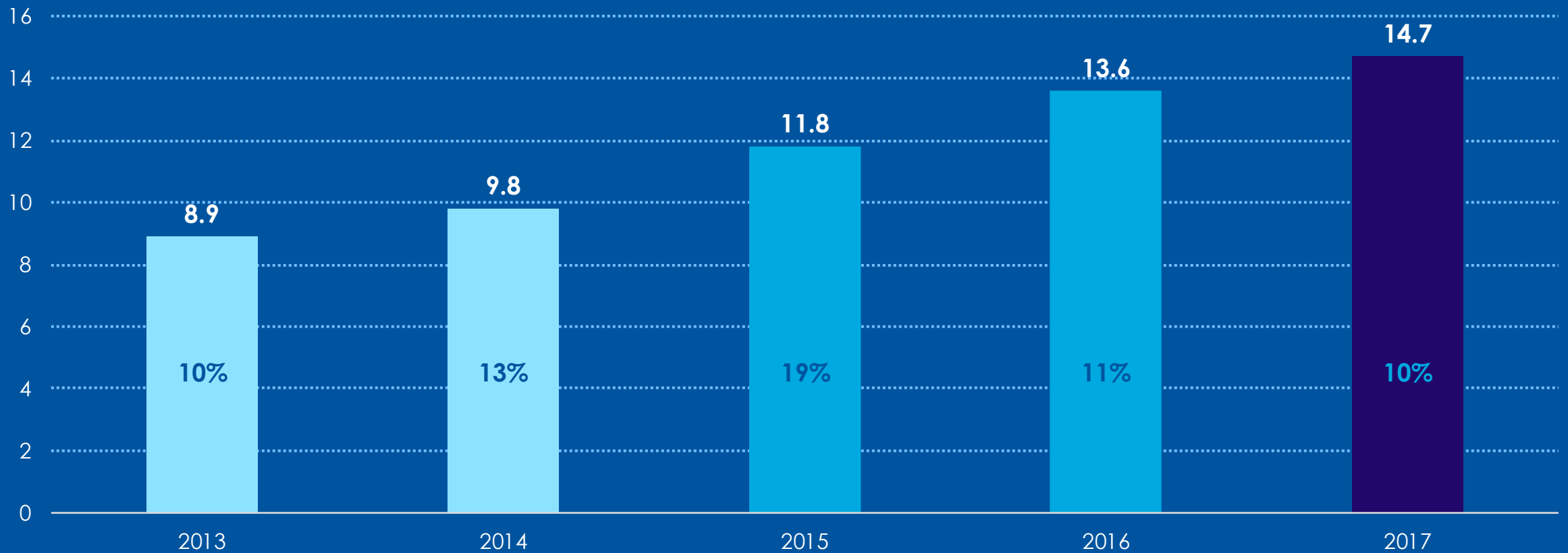
Indian arrivals till
May 2018: **588,516**



Source : U.S. Department of Commerce, ITA, National Travel and Tourism Office

Money spent by Indian travelers in the USA

USD billions



Source : U.S. Department of Commerce, ITA, National Travel and Tourism Office

Industry overview



Tour operators
Pan-India



Regional tour operators



Online travel agencies



Retail agents



Others
(TMC's, B2B Agencies)

Working with the travel trade

Unorganized sector – **no licenses** required

Regional companies – **aggressive in marketing** & advertising

Major companies – pan India presence, trendsetters

Prefer working through **land operators** / DMCs

Decision makers – **senior management** / owners for most regional / mid-size companies

Multiple quotations

Limited destination **knowledge**

Expect **extraordinary requests**

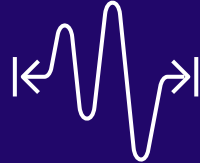
Prepared to **change** set programs



Cultural nuances



Diversity of ethnic, linguistic, regional, economic, religious, class and caste groups



Social etiquette varies greatly across different regions



Change in family structure



Relationships are very important



Shopping for friends & family



Ranking in society



Dietary – vegetarian, pork or beef



Market potential

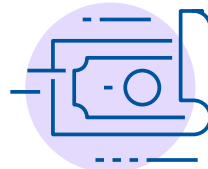
Largest YOUNG population: Millennials & Gen Z



One of the fastest growing outbound markets



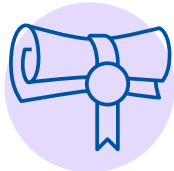
Millennials geared to pleasure, rather than possessions



Increase in UHNIs with high disposable income



Huge depth and potential



10-year Visa



Culturally similar to USA

**Aviation
Advantage**

World's **largest democracy** – similar ideology, way of working & empathy as USA

Source: UNWTO; Boston Consulting Group; FICCI-Deloitte Report
"Consumer LEADS" October 2018



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UK & Ireland

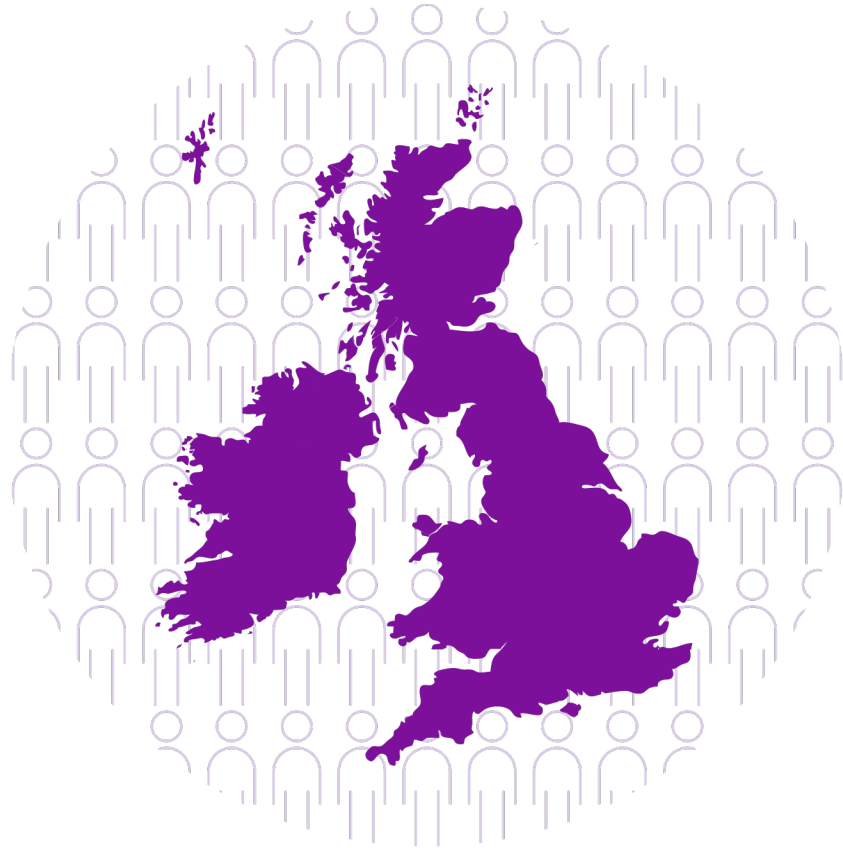
June 2019

Ava Mehta

Sales & Marketing Account Director, UK & Ireland



Market overview



65,648,100 (UK) & **5,011,102** (Ireland) population

5 cities with a million+ population with regional diversity

Over **40%** of the population are aged between 25-54 years

Largest overseas market for international **arrivals** in 2017

Third largest overseas market for visitor **spending** in 2017

Largest metropolitan areas

Glasgow
1.22 million

Dublin
1.17 million

Manchester
2.65 million

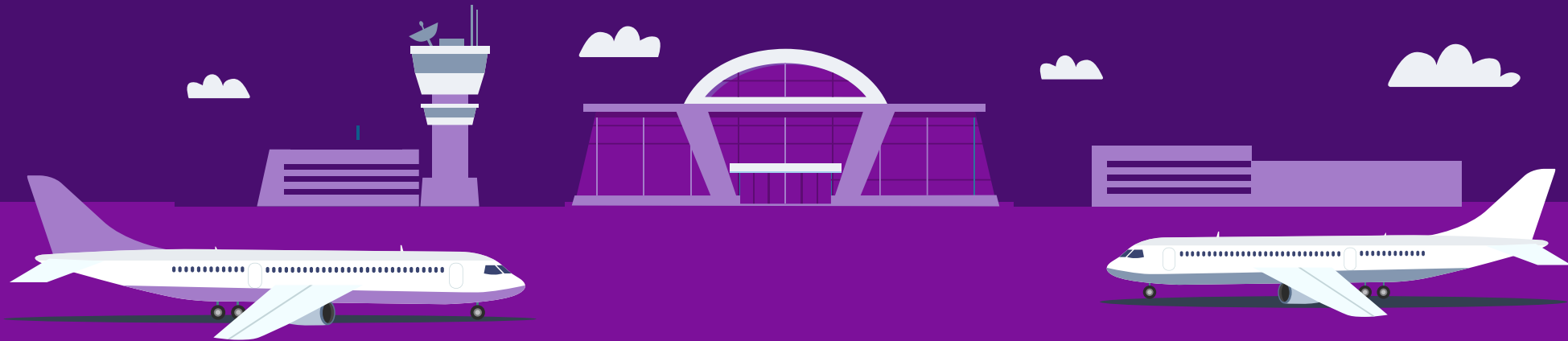
Birmingham
2.52 million

London
10.31 million

UK and Ireland gateways

9 Main airports

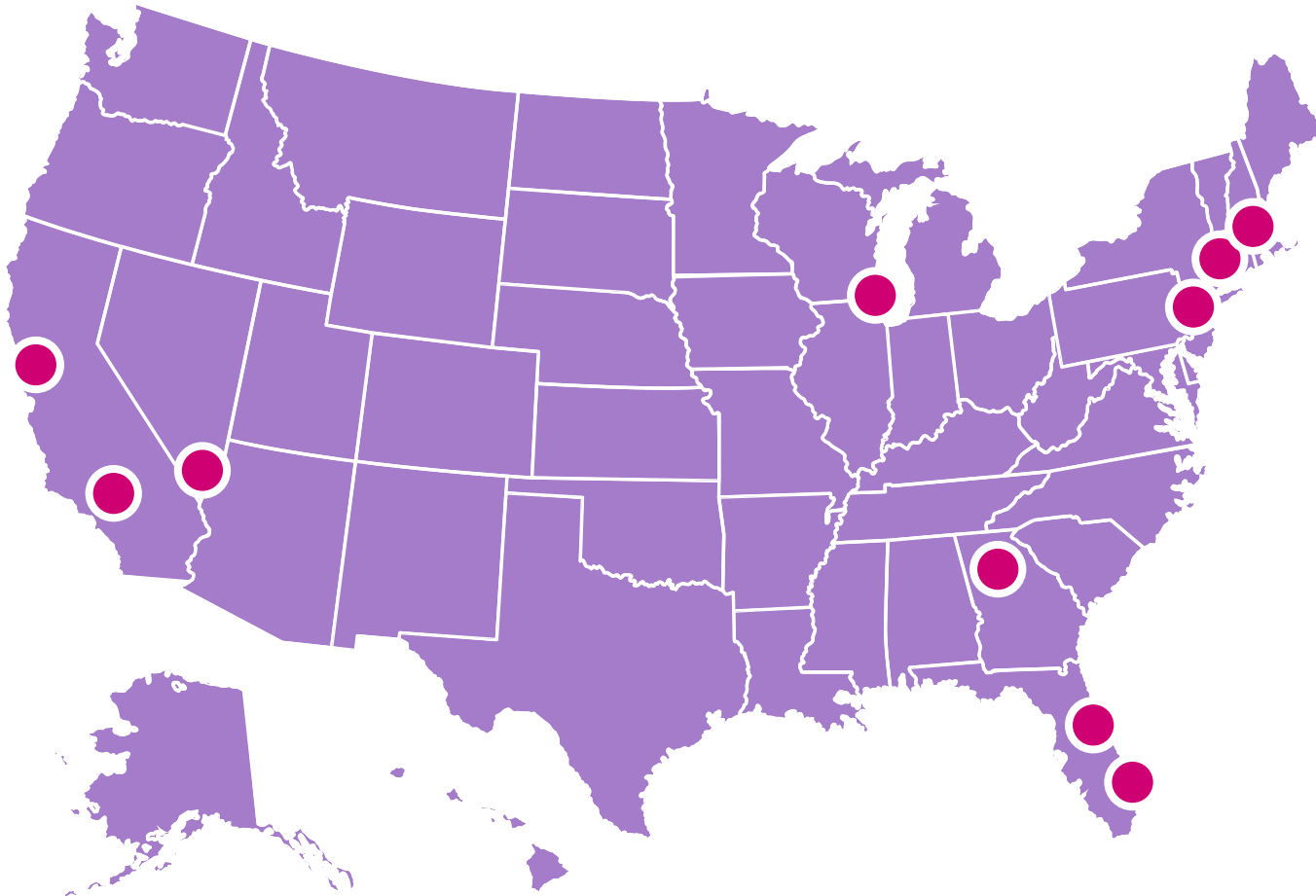
London Heathrow, London Gatwick, Manchester, Edinburgh, Birmingham, Glasgow, Dublin, Shannon, Belfast



Source: <https://www.world-airport-codes.com/uk-top-20-airports>

Major gateways

Top 10 U.S. ports of entry for the UK traveler and their percentage share:



New York, NY **21%**

Orlando, FL **15%**

Los Angeles, CA **7%**

Newark, NJ **7%**

Las Vegas, NV **6%**

Miami, FL **6%**

San Francisco, CA **5%**

Boston, MA **4%**

Chicago, IL **4%**

Atlanta, GA **3%**

Airline connectivity



There are 167 direct flight routes from 19 airports in the UK & Ireland to 37 USA gateways



Aer Lingus:

15 flight routes to 13 destinations

American Airlines:

16 flight routes to 9 destinations

British Airways:

30 flight routes to 27 destinations

Delta:

11 flight routes to 7 destinations

Jet2:

5 flight routes to 1 destinations

Norwegian Air:

27 flight routes to 17 destinations

Thomas Cook:

15 flight routes to 7 destinations

Thomson:

9 flight routes to 1 destination

United:

17 flight routes to 7 destinations

Virgin Atlantic:

20 flight routes to 12 destinations

Source: Airline websites January 2019

New flight routes in 2019

Airlines continue to build on increasing airlift from the UK & Ireland to the USA.

British Airways:

London to
Charleston

British Airways:

London to
Pittsburgh

American Airlines:

London to Phoenix

American Airlines:

Edinburgh to
Philadelphia

American Airlines:

Dublin to Dallas
Fort Worth

Delta Airlines:

Edinburgh to
Boston

Virgin Atlantic:

Manchester to
Los Angeles

Aer Lingus:

Dublin to
Minneapolis – St
Paul



UK & Irish traveler profile

The baby boomers
54-70 years

Generation X
39-54 years

Millennials
20-39 years

Generation Z
Under 20's



Families



Luxury



Honeymooners
& couples



Outdoor
& adventure



Cruise



Students



VFR



Specialist
interest

Main holiday season

Main school holidays

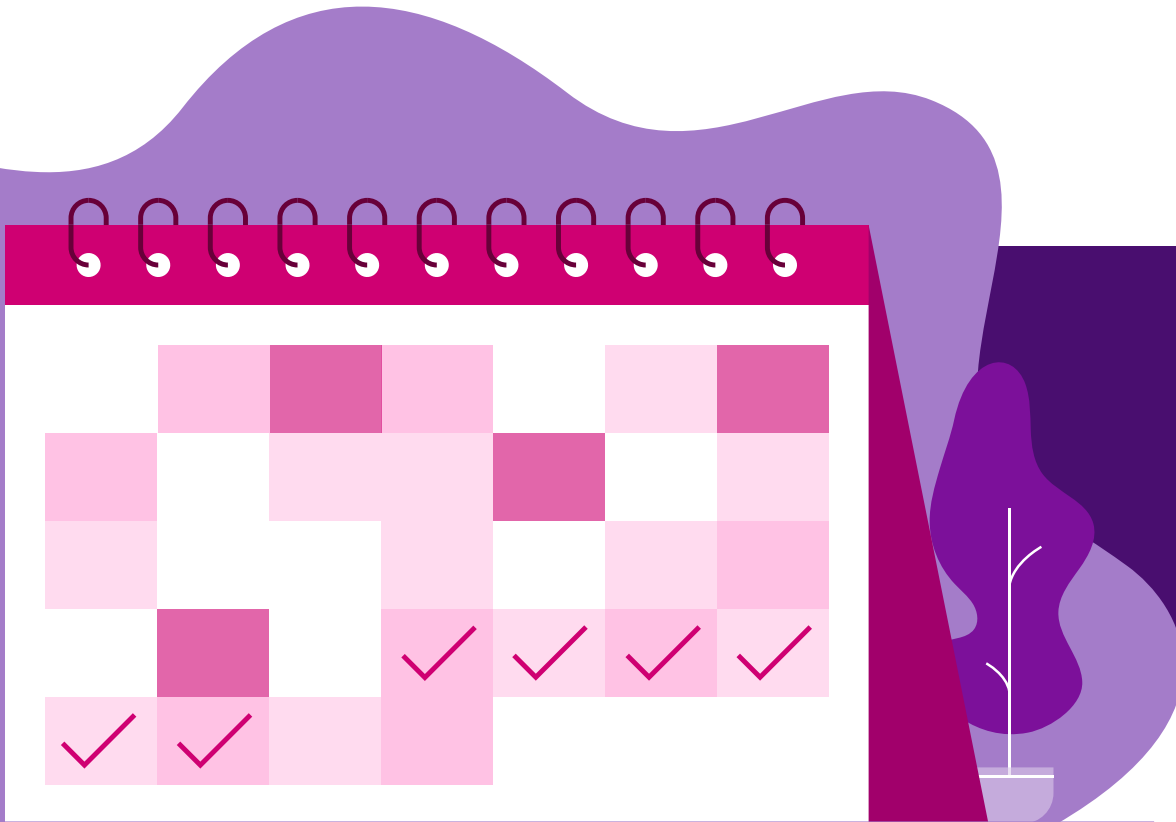
April
July
August
December

Shorter school holidays

February
May
October

June & September – Key off-peak travel periods

Most of the UK receive **5-6 weeks** paid holiday and
Ireland receive **4 weeks** paid holiday



Destination Interest

Top 10 states



1.

California

2.

New York

3.

Florida

4.

Hawaii

5.

Texas

6.

Alaska

7.

Washington

8.

Nevada

9.

Colorado

10.

Arizona

Traveler trends



On average, UK traveling households intend to go on approximately **five** holidays a year (UK and abroad) and spend nearly **£6,500** on leisure travel in 2019, a slight increase on 2018.



In 2017, holidaymakers planned and booked with a longer lead time to get their holiday of choice. In 2018, holidaymakers focused on **preserving and investing in their longer overseas breaks**, in particular with foreign holidays of 7 nights or more.



The majority of UK travelers are motivated to go on holiday to **relax, experience different cultures and cuisines, explore and enhance existing relationships**, while millennials are also motivated by self-discovery, the opportunity to meet new people and pursue hobbies.

Traveler trends



UK Millennials are driving growth – they intend to go on 41% more trips and spend 20% more.

The **rise in sustainable tourism** – holidaymakers are increasingly aware of the impact that they have on a destination when visiting, with 45% saying sustainability is an important element when booking a holiday (up 6% from last year).

Cruise continues to be a popular holiday choice, with one in 12 UK holidaymakers having been on a cruise in the past 12 months. Two-fifths of people are interested in going on a cruise for the first time, with 18-24-year olds showing the most interest (53%), which possibly reflects the broad range of choice on offer.

Digital trends

Social media in the UK & Ireland



Facebook
30 million users

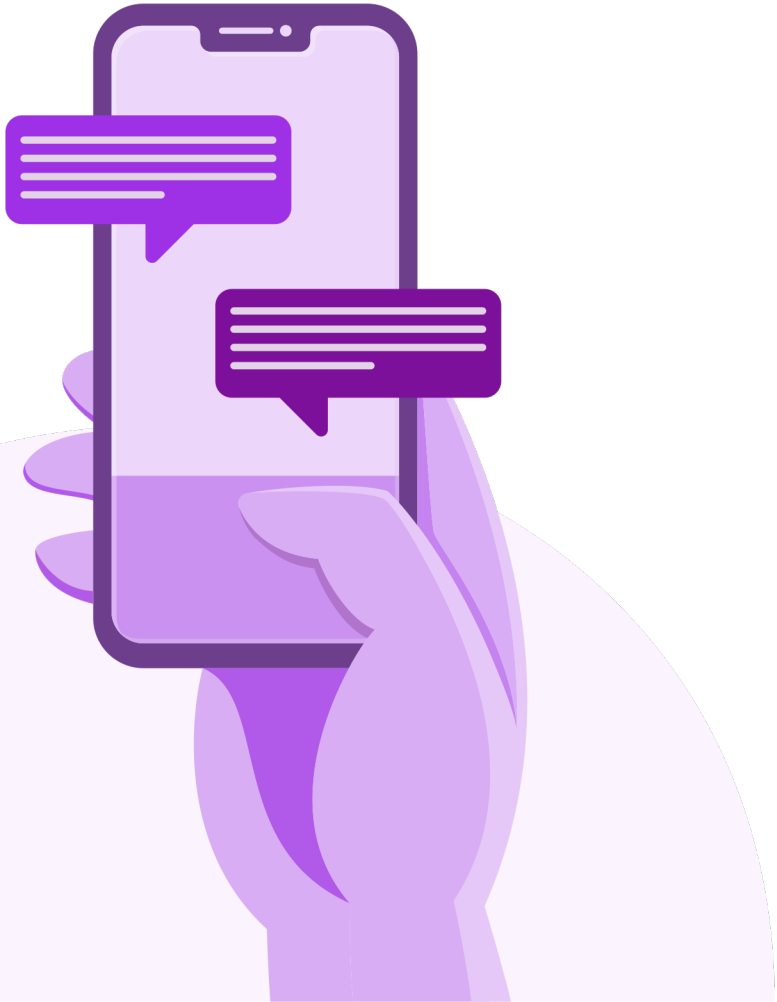


Instagram
14 million users

95% of residents in the United Kingdom and **64%** in Ireland use the internet, of which **66%** and **65%** use social media (in Ireland, there has been growth of 11% year-on-year)

The average daily time spent using social media via any device per day for Brits is **1 hour, 54 minutes** and for Irish, **1 hour 47 minutes**

Digital trends



Specifically relating to travel:

Two-thirds of all travelers go on social media at least once a day. **85%** of these travelers are on Facebook and around **4 in 10** are active on Instagram and Twitter

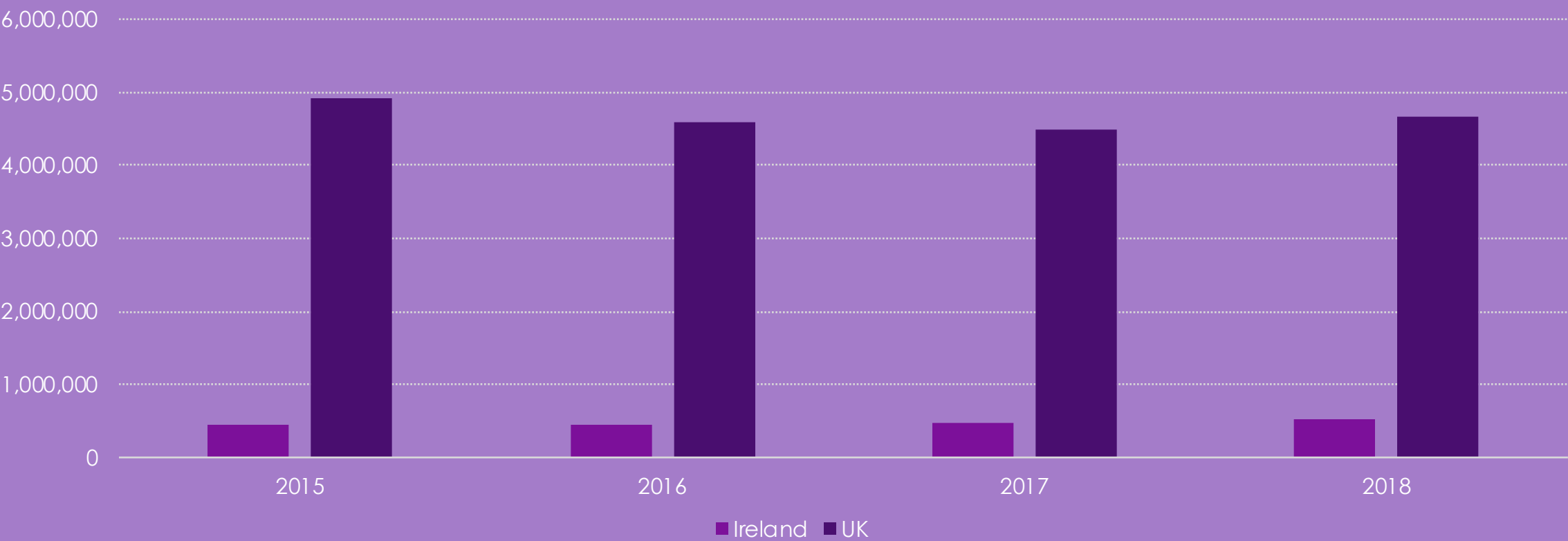
A quarter of travelers follow influencer and consider social media posts from family and friends whilst looking for holiday ideas

However, almost **half of millennial travelers** select a holiday destination based on social media content

The total annual amount spent on consumer e-commerce on travel (including accommodation) was **\$18.01 billion in the UK** (+9% year-on-year) and **\$511.8 million in Ireland** (+18% year-on-year)

UK & Irish arrivals into the USA

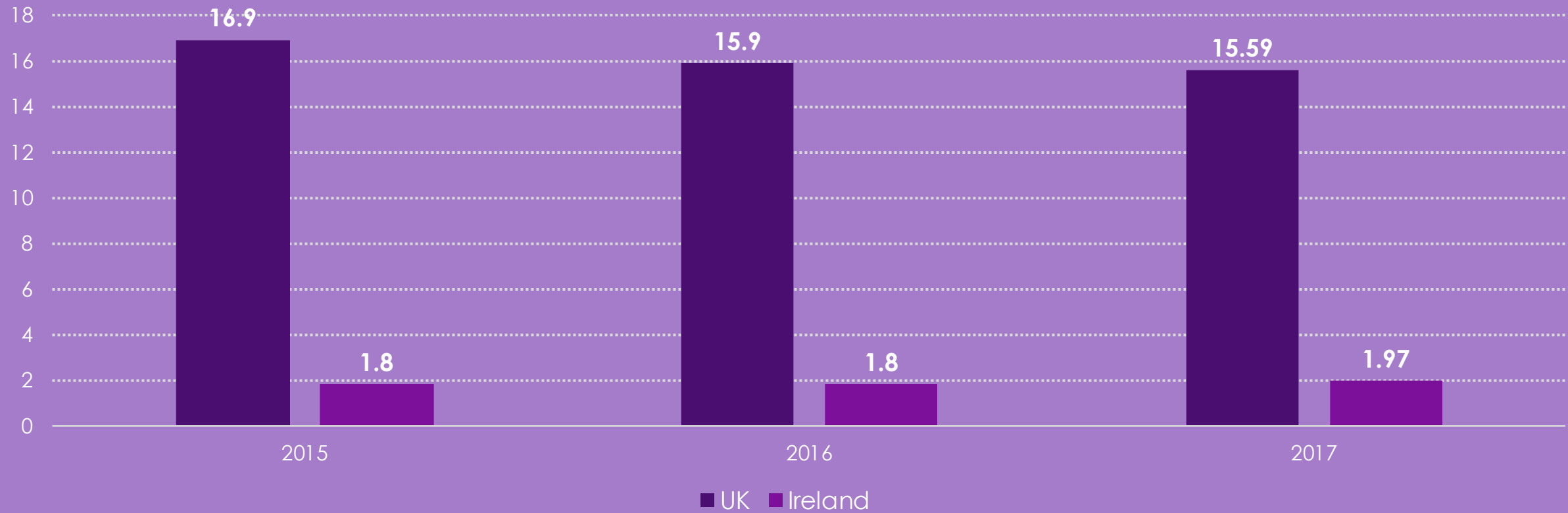
Arrivals into the USA



Source : U.S. Department of Commerce, ITA, National Travel and Tourism Office
N.B. 2018 figures are projected

Spending by UK & Irish travelers in the USA

USD billions



Industry overview

The market is made up of the following trades:



Tour operators



Travel agents
(Retail/Homeworkers/
Consortia)



Wholesalers
(B2B)



**Online travel
agencies**
(OTAs)

ABTA research shows one of the main reasons holidaymakers book with a travel professional is because they feel more confident. **69% of travelers** prefer to return to travel companies that seek to **personalize the user experience** (ABTA Travel Trends 2019 Report).

Working with the travel trade



Tour Operators are constantly looking to **expand their portfolio** to offer more diversity to their clients



We have a large range of B2C, B2B and B2B2C tour operators



Bookings are made through **receptive tour operators & bed banks**



Consumers are used to **shopping around** to obtain the best price



City Breaks, Fly-Drives, Escorted Tours, Rail Travel, Stay & Cruise are the methods of travel



Many DMOs represented in the market as well as other worldwide destinations; **highly competitive**



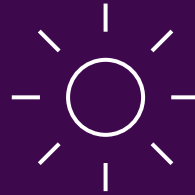
Cultural nuances



Desire for authenticity
e.g. local places/
local food markets



Nightlife &
live music



Weather



Wi-Fi to ensure
connectivity back
home and for posting
on social media



Value for money

Market potential

Growth in visitation, airlift & motivation!



Continued rise in international visitation from the UK & Ireland to the USA → Over three-fourths of UK travelers are interested in visiting the USA



Continued increase in airlift across the UK & Ireland to the USA



Low cost long haul opened up travel in 2018



Travel is a priority for the UK and Irish consumer



Deeply rooted cultural, business and familial ties between the UK & Ireland, and the USA

Sources: U.S. Department of Commerce, ITA, National Travel and Tourism Office; ABTA Travel Trends 2018 Report; ABTA Holiday Habits 2018 Report; Airline websites January 2019



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Europe

June 2019

Samuel Hancock

Senior Strategic Director, UK & Europe



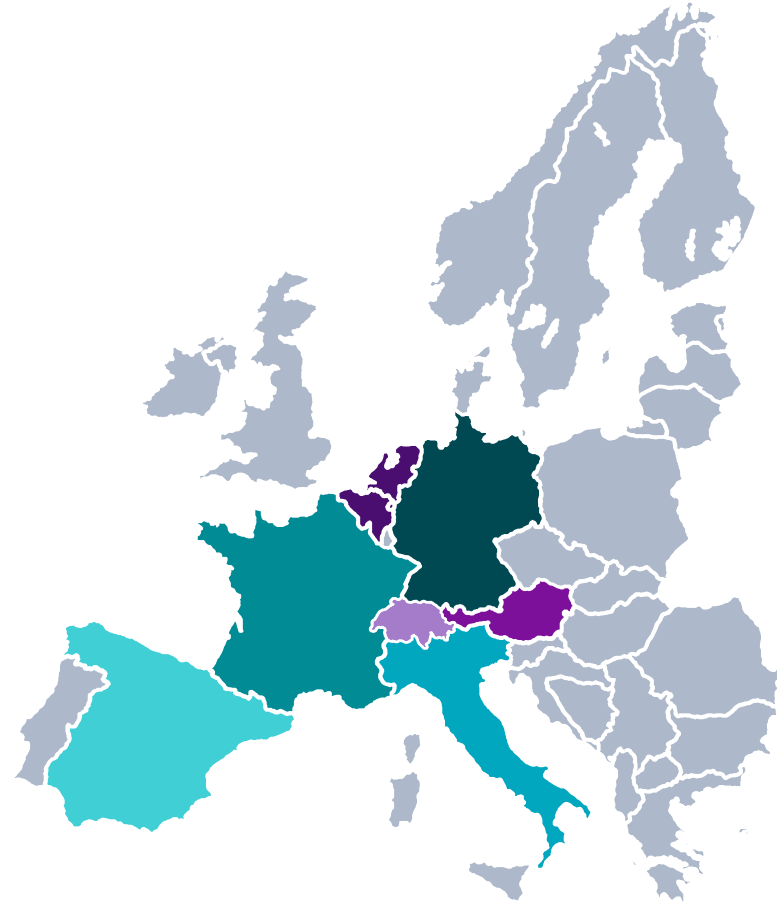
Market overview

Brand USA
is represented in:

- Germany
- Benelux
- Austria
- Spain
- Switzerland
- Italy
- France



This is a **total**
population of
291 million



Economic diversity

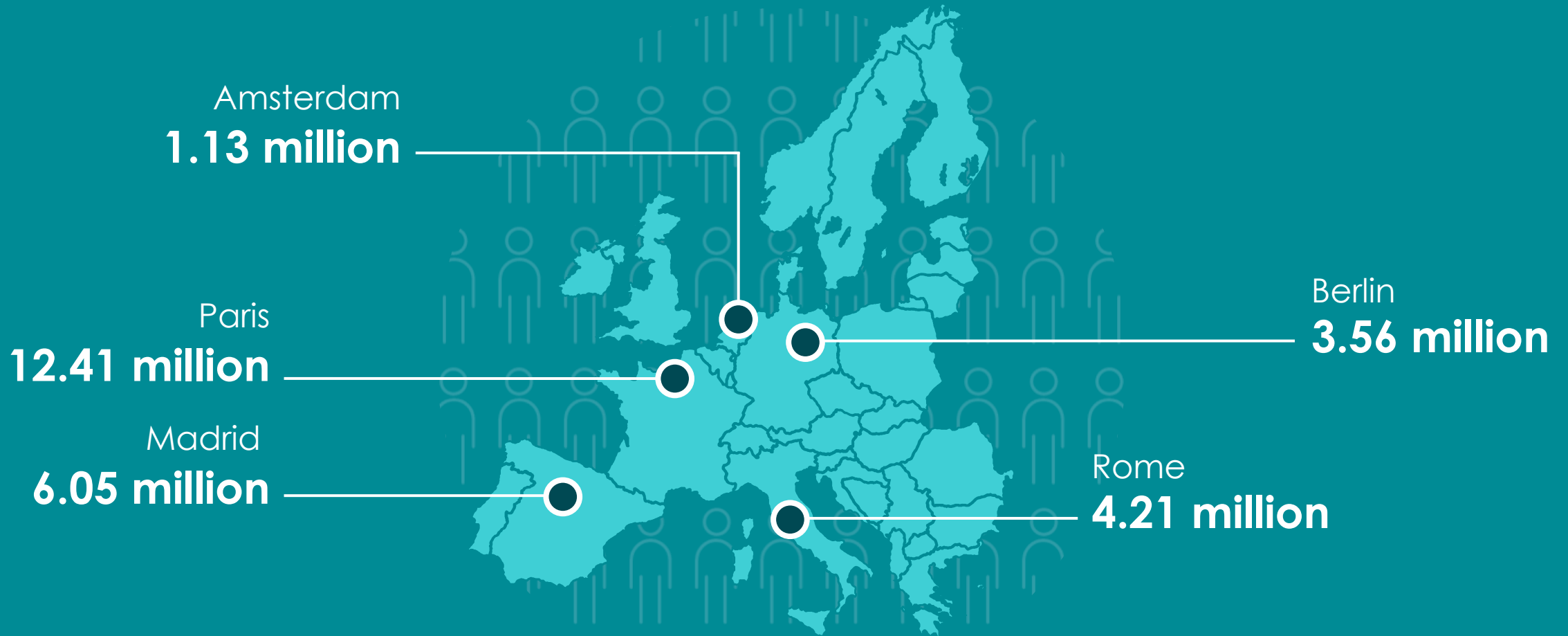
Germany is the largest economy in Europe and fifth largest in the world at **\$4.2** trillion

France is the second largest of the EU with **\$2,766** billion GDP in 2018

Spain is the fastest growing economy in Europe and the unemployment rate continues to decrease

The Italian economy continues to grow. In 2018 it grew at a rate of 1.5% to **\$2.307** trillion

Largest metropolitan areas



European gateways

11

Main airports

Austria: Vienna

Belgium: Brussels

France: Paris

Switzerland: Zurich

Germany: Frankfurt, Munich

Italy: Rome, Milan

Netherlands: Amsterdam

Spain: Madrid, Barcelona



Source: Airline websites April 2019

Airline connectivity

From these markets, there are **219**
direct flight routes to **38 USA**
gateways

Germany

71 direct flights
to **31 gateways**

France

53 direct flights
to **24 gateways**

Spain

32 direct flights
to **14 gateways**

Italy

31 direct flights
to **14 gateways**

Netherlands

26 direct flights
to **21 gateways**

Belgium

6 direct flights
to **5 gateways**

New flight routes in 2019

Germany

American Airlines:

Munich to Charlotte
Berlin to Philadelphia

Lufthansa:

Frankfurt to Austin

United Airlines:

Frankfurt to Denver

France

Air France:

Paris to Dallas

La Compagnie:

Nice to New York

Corsair:

Paris to Miami

Level:

Paris to Las Vegas

Italy

Air Italy:

Milan to Los Angeles
Milan to San Francisco

Alitalia:

Rome to Washington D.C.

American Airlines:

Bologna to Philadelphia

Norwegian:

Rome to Boston

United:

Naples to New York

New flight routes in 2019

Spain

Norwegian:

Madrid to Boston
Barcelona to Chicago

Level:

Barcelona to JFK

Netherlands

KLM:

Amsterdam to Las Vegas

Delta:

Amsterdam to Tampa

United:

Amsterdam to San Francisco

European traveler profile



Across all markets interest in:



Great outdoors



Culture
and heritage



Authenticity



Gastronomy

European travelers will consider:

The weather of
the destination

The level of
safety

The cost of the trip

*(USD/EUR currency
is always carefully
taken into
consideration)*

**Italian and Spanish travelers are
traditionally last-minute bookers**



Source: U.S. Department of Commerce, ITA, National Travel and Tourism Office Market Profiles 2018

Main holiday season

Main school holidays

April
July
August
December

Shorter school holidays

February
May
October

Paid holiday varies between markets

In particular, the **French** have a minimum of **5 weeks** of **paid holidays** by law, in addition to public holidays, making theirs one of the **highest** number **paid vacations** days **in the world**

Popular destinations among Europeans



1.

New
York

2.

California

3.

Florida

4.

Hawaii

5.

Texas

6.

Louisiana

7.

Arizona

8.

Illinois

9.

Washington, D.C.

10.

Nevada

Source: U.S. Department of Commerce, ITA, National Travel and Tourism Office and other sources.
Please note that destinations are not ranked beyond the top three

Traveler trends



Germany

The outlook for 2019 is positive with **78% of Germans planning** at least one holiday of 5 days or more. The market for **long-haul travel** continues to **grow to 9%** of all holiday trips. **The U.S.** remains by far the **most popular long-haul destination**

France

Repeat market (**60-65% of French travelers** have already visited the U.S. once)

Italy

Increased **interest in food** and **wine tourism** and **wellness** holidays

Spain

Strong growth in market **in 2018**, more than **15 million Spaniards traveled** abroad, a trend that marks an **increase** of almost **12%** over the previous year

Netherlands

Camping vacations with **RVs** are very popular

Source(s): ADAC Reisemonitor; TIG Italia; 2018 Europe Assistance IPSOS Holiday Barometer

Digital trends

Social media remains dominant across Germany, France, Italy, Spain & The Netherlands:



Facebook

132.1 million users



Instagram

75.9 million users



Twitter

20.29 million users



Snapchat

37.9 million users

Facebook has the strongest presence in **France** with 35 million users

Instagram has the largest presence in **Germany** with 20 million users

Twitter is strongest in **Spain** with 6.01 million users

Snapchat has the most users in **France** with 18.5 million

In **Italy**, **Facebook** is the most popular social media platform with 31 million users

In the **Netherlands**, **Facebook** has double the number of users at 10.1 million, compared to its nearest rival, Instagram, which has 4.9 million

Digital trends



Germany

84% of Germans are online, 68% of them via smartphone or tablet

France

20% of travelers now use social media to help them plan and organize their trips and 52% of travelers said that social media influenced a change in their travel plans

Italy

Rise of digital seniors: 54.2% of digital seniors travel regularly and 67.9% highlight the intention to increase their travel experiences in the next five or ten years

Spain

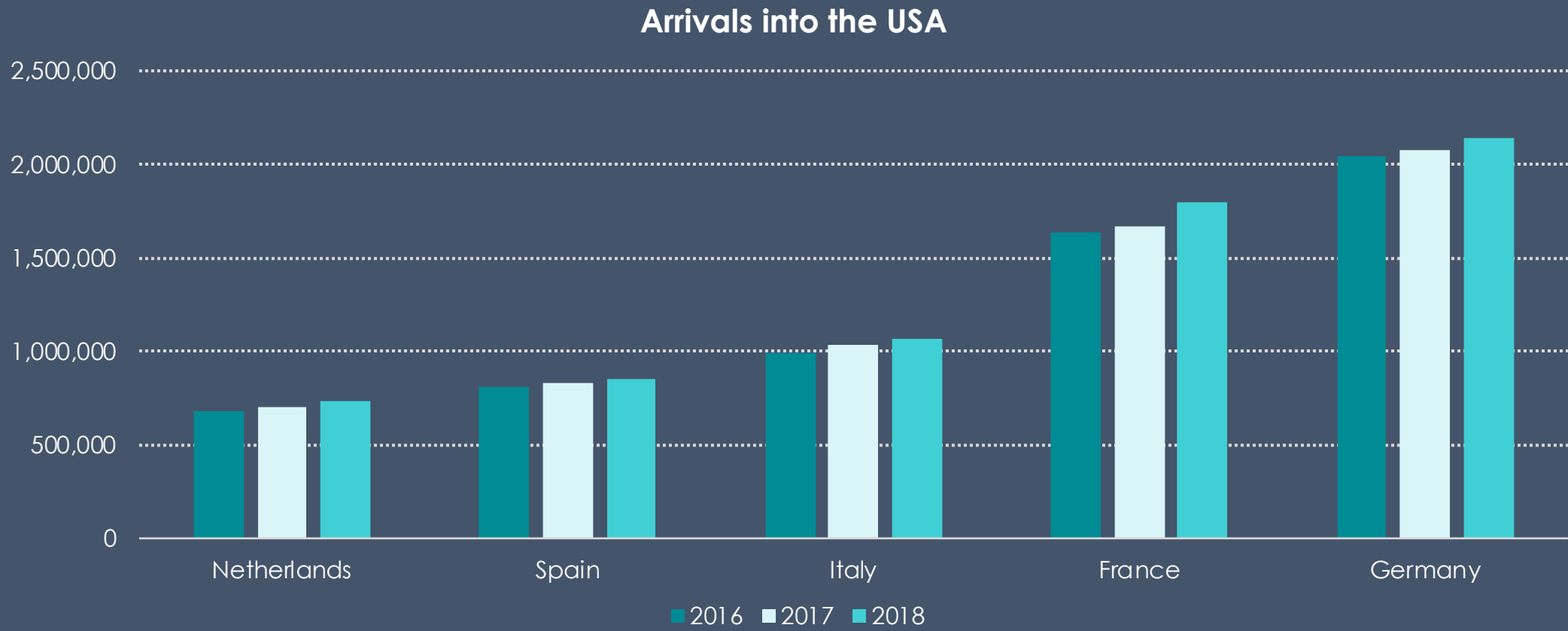
61% of tourists between the ages of 18 – 26 will share their trip on social media once they have returned from their trip

Netherlands

Influencers have an increasing role on brand value, purchasing behavior and visibility

Source : "Initiative D21", D21 Digital Index 2018/2019; Beeckestijn Business School Study, "Whitepaper Digital and Online Marketing Trends 2019"; BNP Paribas Cardif, "Over 65: A Life in Color" Edición 2018 De Digitalnewsreport.es; emarketing.fr

European arrivals into the USA

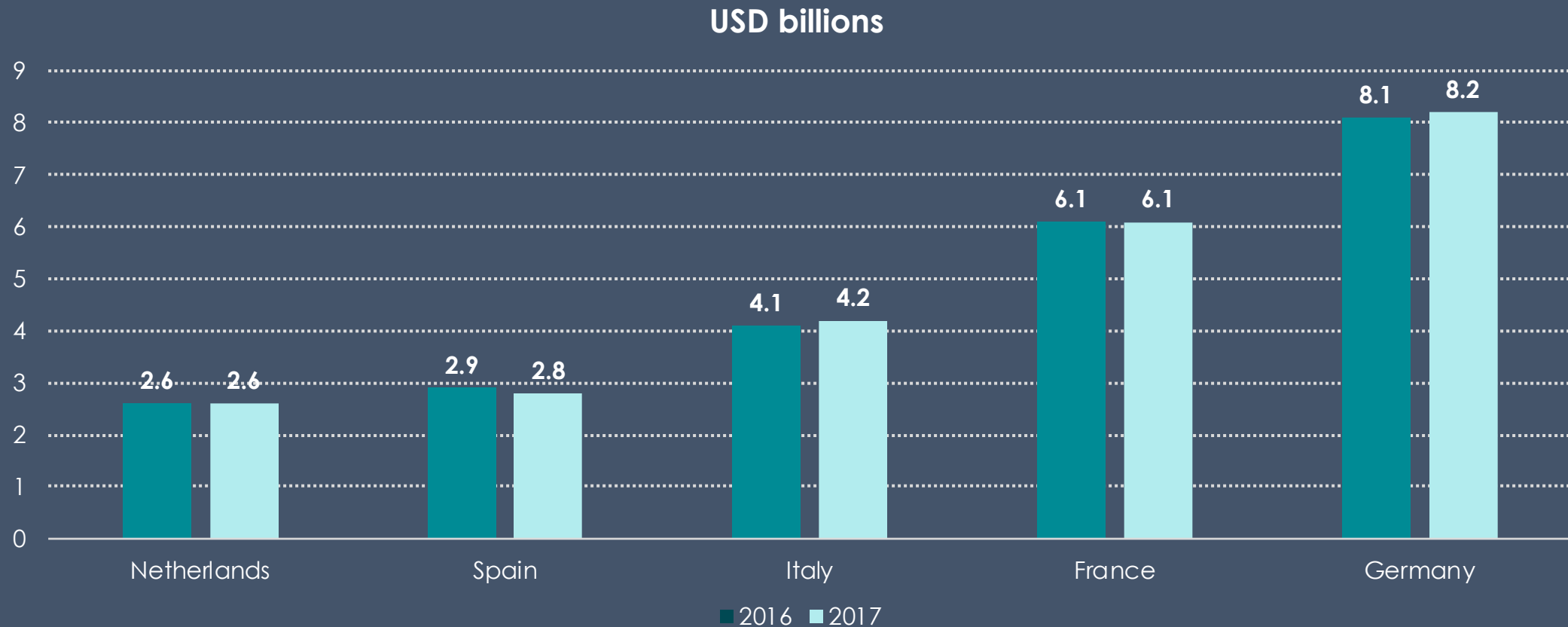


Source : U.S. Department of Commerce, ITA, National Travel and Tourism Office October 2018

N.B. 2018 figures are projected

Note: (f) = forecast.

Spending by European travelers in the USA



Source : U.S. Department of Commerce, ITA, National Travel and Tourism Office October 2018

Note: (f) = forecast.

Industry overview

Germany



Online bookings generated a total turnover of EUR 25.9 billion (40 percent) while offline bookings generated a total turnover of EUR 38.8 billion (60 percent). While the online market is growing, offline and travel agencies continue to be important in the German market.

Netherlands



According to Dutch Travel Association's (ANVR) annual survey, there were a total of 1,176 travel agencies in the Netherlands in 2018, a slight decrease from 2017 (1,163). Next to the travel agencies, the ANVR sees an increase of the individual travel counsellors, a total of 2,500 in 2018 vs. 1,800 in 2016

France



Tour Operator packages in 2018 were **up by 16%** to the USA, a direct result of tour operators embracing a growing FIT trend

Industry overview

Spain



Traditional travel agencies remain prevalent in Spain. In 2018 the number of travel agencies exceeded **9,500** companies and 37% of the population continue to rely on travel agents when booking a holiday

Italy



Small/medium sized companies are the real engine of the market with approx. **280** Tour Operators and more than **8,000** travel agencies in market

Most travel agencies (around 7,000) are associated to a travel network

Working with the travel trade

Germany

There is huge potential in the growing number of small- and medium-sized USA or North America specialists, which recorded growth almost across the board in recent years. Their clientele includes repeat visitors seeking new experiences in the United States

Spain

Competition is fierce between the top five tour operators owing to the similar product each offer. Between them they sold over €5.3million in 2018, an increase of 3.8% since 2015.

France

FIT business is booming. Importance of OTAs and their alliances with airlines is having a huge impact in market, seeing repeat visitors booking via OTA's

Netherlands

There are multiple key tour operators and around 2,500 travel agents. Travel agents have seen growth in the past few years - a 33% increase since 2016

Italy

Tour operators prefer working through receptive operators/DMCs for customized itineraries and through B2B wholesalers for simple packages



Market potential

A desire for new experiences



The USA remains the number one long-haul destination for the European traveler



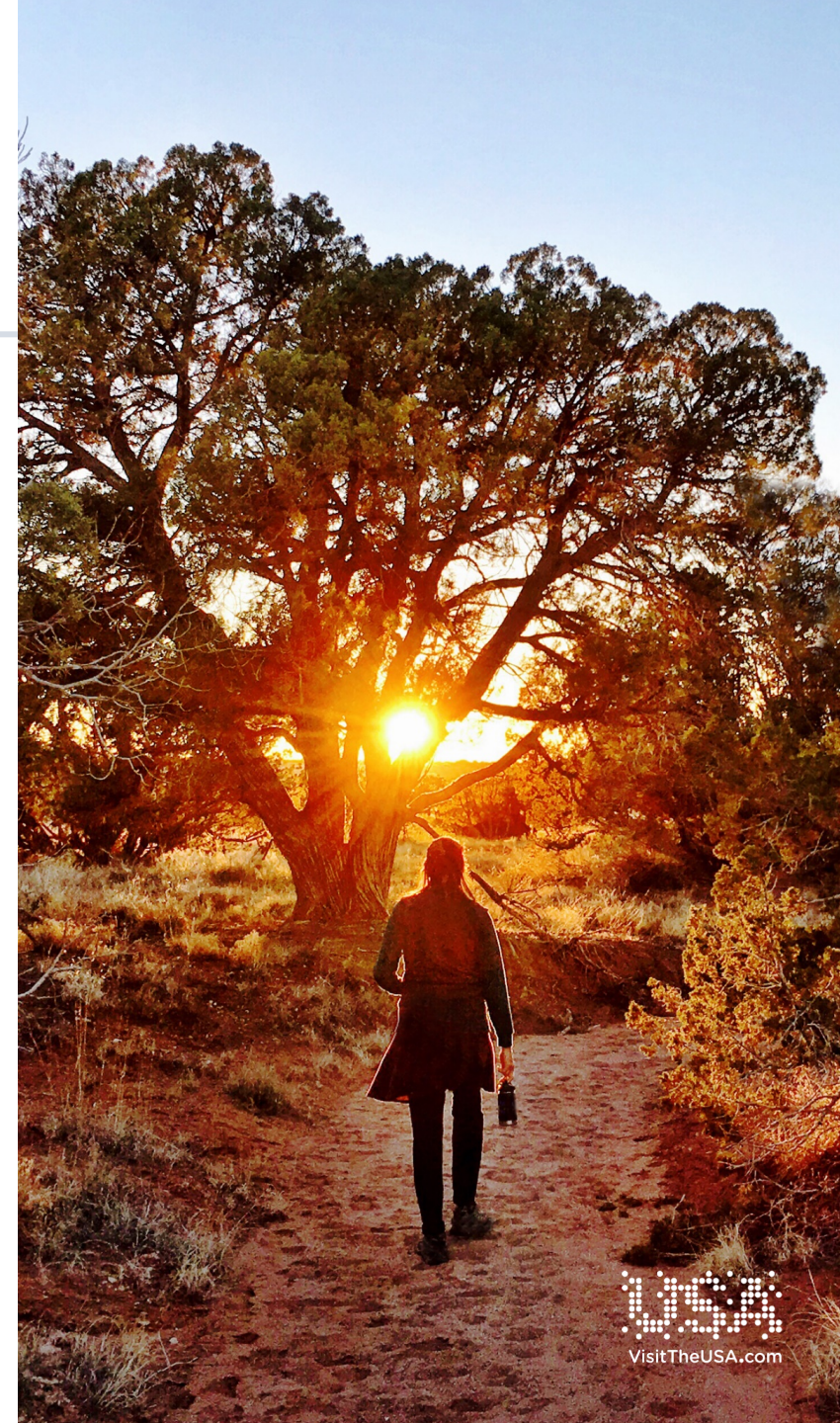
Increasing flight routes mean more regions of the USA are more accessible than ever for the European traveler



Repeat travelers are looking to visit the unexplored regions of the USA



The breadth of cultural experiences and local encounters the USA has to offer continues to make the USA a desirable and exciting holiday destination for the European market



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