

The Lost Decade

- We have focused much attention on the challenges of the past year and rightly so. The recession that began in 2008 bit hardest in 2009, affecting travel demand at every level. In particular, total US inbound visitation contracted roughly 6.5% while overseas markets alone fell 7.1%. However, this setback is better viewed within the context of a decade of lost market share. Since 2000, overseas visits to the US have fallen 9%. And though Canadian and Mexican travel to the US have each grown over 20% over the course of the decade, the US has lost market share in both cases.

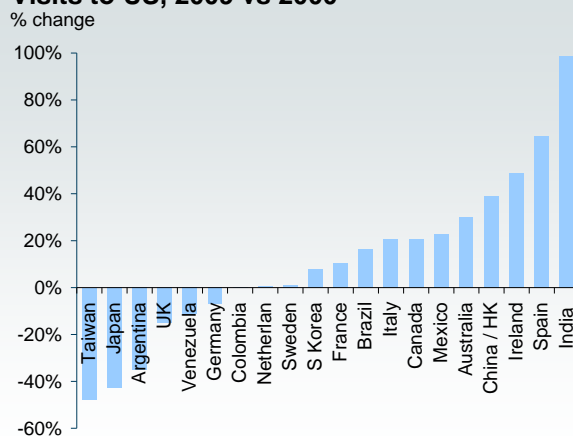
What is going on?

- The decade was marked by successive challenges, from 9/11 to more stringent entry standards and procedures to a spike in energy prices. But typically visitor demand recovers to historic trends after external shocks. Not so in the past decade. In fact, the US lost and has failed to recover market share from many of its key sources of visitors. And this is not merely the effect of a shift to regional or short haul travel. For example, the US received 44% of long haul Japanese trips in 2000 compared with 38% in 2009. For the UK, the US attracted 34% of long haul travellers in 2000 and 24% in 2009. Similar losses can be observed for Western Europe as a whole, Brazil, Canada, and Mexico.
- These trends reveal an underlying loss of competitiveness. However, the issue is not with the product we are selling. The US remains one of the most “aspirational” destinations in the world based on various surveys conducted by our competitors. Few places match the US in terms of the quality and diversity of its attractions.

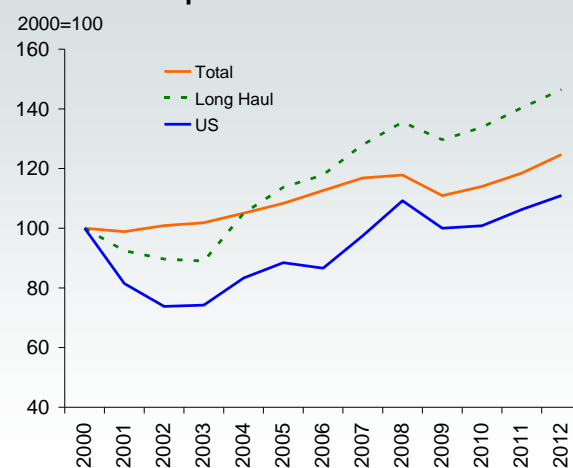
Opportunity ahead

- If our loss in competitiveness is not product related, it must be marketing related. We take a broad view of marketing here to include branding, openness, accessibility, and actual advertising. Then it stands to reason that a tremendous opportunity is available to the US and its states, cities, and attractions.
- To realize this opportunity, investments must be made in marketing at all levels and policies must be ever tuned to welcome visitors. And the investments and effort should yield marked returns. The global travel market has grown significantly over the past decade and the US lost share. It is now time to win it back.

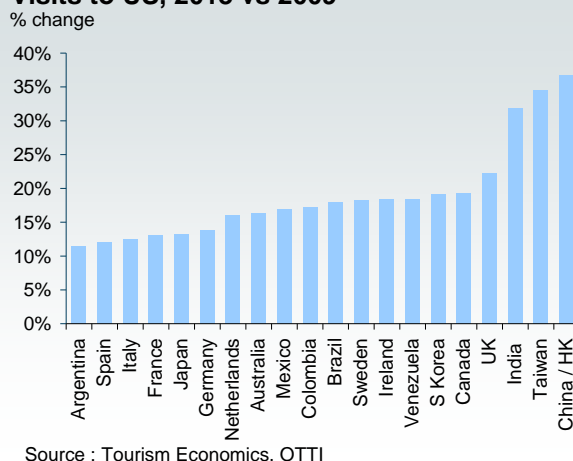
Visits to US, 2009 vs 2000



Western Europe Outbound Trends



Visits to US, 2013 vs 2009



Tourism Decision Metrics

- The forecasts and global travel market data in the above article are sourced from Tourism Decision Metrics (TDM), Tourism Economics' flagship subscription database.
- TDM clients have online access to the most comprehensive forecast database of global travel and economies available. Over 40,000 indicators are tracked, covering over 180 countries.
- The system includes details on the origin-destination flow of visits and nights around the world as well as details by type of visit for each destination. Economic indicators of market strength and direction are drawn from the Oxford Economics global macroeconomic model.

How our clients benefit

- TDM clients conduct global market analysis on the fly using a proprietary data query and manipulation system. With the latest information on global travel and the economy at hand, our clients use TDM to answer a variety of questions such as:
 - What are the growth prospects for our key markets?
 - How is our market share changing?
 - Where should we invest in marketing?
 - Where should we hedge against downturns?
 - Who are my emerging competitors?

Special offer

- Tourism Economics is pleased to offer TDM to members of the US Travel Association, European Travel Commission, and Pacific Asia Travel Association at a reduced rate. Please contact us for details.

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