United States

Market & Trade Profile

visit Britain™

Updated January 2006

4) Market size/share

Current & Forecast Market Size

Global Insight estimates that there were 67.8 million outbound overnight visits from USA in 2004. There are forecast to be 82.9 million such trips by 2010, an increase of 22%.

The UK currently accounts for around 5.3% of outbound trips from USA.

Current Volume and Value Statistics / Trends

	2003	2004	Change year on year
Total Visits	3,346,000	3,616,000	+8%
Visits Rank (League Table No. Visitors to UK)	1	1	No change
Total Spend	£2,315m	£2,400m	+4%
Spend Rank (League Table £ Spend in UK)	1	1	No change
Average Spend per Visit (AEV)	£690	£661	**-4%**
AEV Rank	24	24	No change
Average Spend per Day (AED)	£82	£78	**-5%**
AED Rank	7	11	Down 4 places

The best ever recorded year for visits and spend from USA was 2000 – with 4.1 million visits and £2.75 billion spent.

Key Competitor Destinations – actual

Global Tourism Navigator shows us that UK was 3rd in the actual ranking of top destinations (short and long haul included) for American outbound travel in 2004, and that our key European competitors for American tourism are Italy and France.

1	Mexico	6	France
2	Canada	7	Germany
3	**UK**	8	Bahamas
4	Italy	9	China
5	Puerto Rico	10	Jamaica

Although VisitBritain is very active in the USA there is currently competition from the cruise industry and domestic destinations, which are perceived to be 'closer to home'. VisitBritain is taking steps to place Britain in a more competitive position viz. the cruise industry, attracting new vessels to UK ports, developing new itineraries and working more closely with commercial partners in joint consumer campaigns.

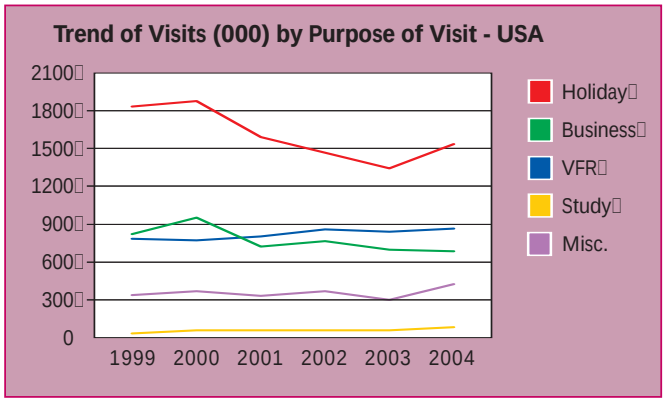
Key Competitor Destinations – aspirational

According to the Anholt-GMI Nation Brands Index (Wave 3 2005), which surveys a representative n=1000 sample of the online population in USA, UK is ranked 2nd out of 24 (i.e. not all potential are asked about) destinations that would be likely for a leisure visit "if money were no object" – although there are several European competitors to contend with for the attention of American travellers.

1	Australia	6	Switzerland
2	**UK**	7	Sweden
3	Italy	8	New Zealand
4	Canada	9	Spain
5	Ireland	10	Netherlands

5) Market shape/dynamics

Purpose of Visit

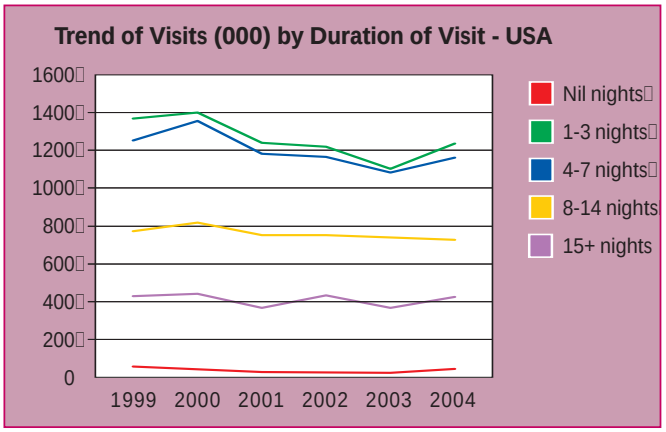


42% of the visitors from the USA to the UK come for the purpose of a holiday. This proportion has decreased in the past 6 years. Holiday visits accounted for 48% of all visits in 1999.

The proportion of visits for the purpose of visiting friends or relatives has increased from 20% in 1999 to 25% in 2004.

20% of American visitors come for business.

Length of Stay



69% of American visitors stay in the UK for less than 8 nights with 36% coming for a short break (1-3 nights).

The same proportion of Holiday visitors stay in the UK for 7 nights or less. The Holiday short-break market accounts for 30% of Holiday visits.

VFR visitors tend to stay a bit longer with 48% staying in the UK for 8 nights or more.

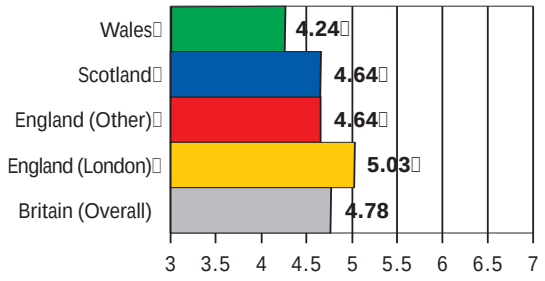
Regional Spread / Top Towns

92% of visitors from USA stayed in England, 67% in London, 11% in Scotland and 3% Wales in 2004 (IPS). Top Towns for American visitors in 2004 were:

		Visits (000)
1	London	2,406
2	Edinburgh	230
3	Glasgow	111
4	Manchester	74
5	Oxford	70

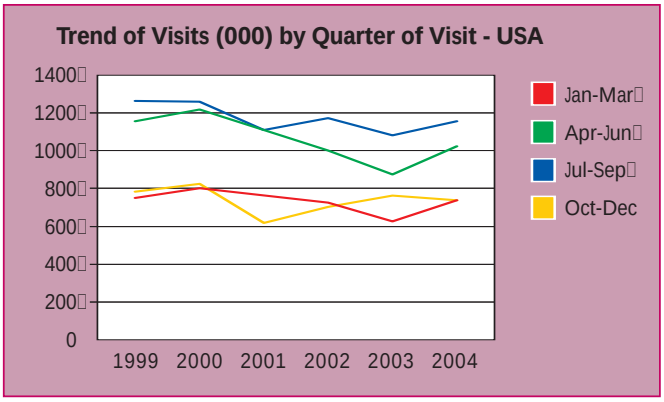
The GMI Nation Brand Index research asked 1,000 American respondents about their awareness of the regions of Britain. Americans were more likely to be aware of London than any of the other regions. Awareness of the rest of England outside of London is in line with awareness of Scotland as a whole.

Looking at the 211 Americans who had ever visited Britain, knowledge of all regions increases, particularly for Britain overall (up to 5.39) and England outside of London (up to 5.25).



Focus groups in August 2005 told us that for a lot of Americans, Britain is a country of two worlds: London and "the country" – although some will also separate out Scotland from England. To many Americans Britain = London and little distinction is made: London = GB = UK = England = Britain. Only the well travelled can make distinctions between the regional brands of Britain.

Seasonal Spread

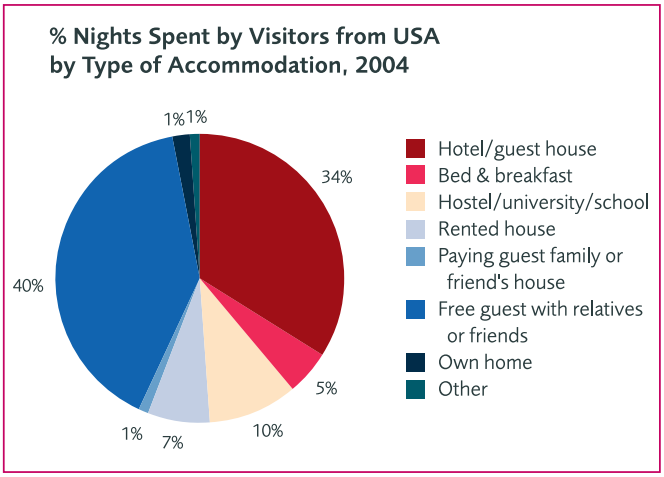


The summer months from July to September are the most popular period for American residents to visit the UK (32%), closely followed by the period from April to June (29%).

These periods of the year are even more popular for Holiday visitors as 35% of them travel to the UK during July-September and 33% during April-June.

30% of VFR visitors prefer to visit the UK during the summer months.

Accommodation Type



60% of American visitors stay in a hotel or guesthouse when they visit the UK, which accounts for 34% of the nights spent.

71% of Holiday visitors stay in a hotel or guesthouse.

83% of VFR visitors are free guests.

86% of Business visitors stay in a hotel or guesthouse.

6) Britain's brand image in the USA

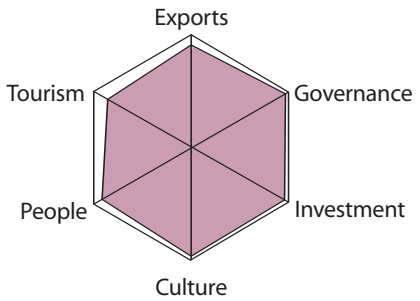
General "favourability" towards the UK

Public Diplomacy Brand Tracking Research in 2003 found that there was an enormous affinity towards the UK amongst the sample of educated ABC1 Americans.

Key reasons behind that favourable opinion included our alliance support of the USA in recent political events (44%) and that the UK supports the peace process (21%). 18% stated our welcoming / friendly / courteous people, 17% the culture, lifestyle and heritage of the UK, and 13% highlighted historical ties and links between the UK and the USA.

In that same study, Americans rated UK people as more "welcoming to visitors" (almost 80% agree) than people in China, Japan, France or Germany – and also more "trustworthy" (again, almost 80% agree).

The bigger picture – Britain as a "nation brand"



The Anholt-GMI Nation Brands Index (Wave 3 2005) is an online panel survey of 1000 American respondents. The 6 points of the hexagon are made up of several different questions, which compare 24 countries as Nation Brands.

Overall, the US has an exceptionally high opinion of the UK, ranking us in 1st position for GOVERNANCE, INVESTMENT and CULTURE. British PEOPLE and British products (EXPORTS) are ranked 2nd, behind Australia and Japan respectively. TOURISM is in 4th place.

Culture
Overall the UK receives a good ranking on Culture. American respondents perceive the UK to be the second most interesting and exciting country for contemporary culture such as music, films, art and literature behind Italy. In terms of having a rich cultural heritage the UK is in 6th place, with the top three places occupied by Japan, Italy & China.

An additional question was added to the NBI in Wave 3 to ask if respondents perceived the country to excel at sport and the Americans ranked the UK in 5th place for this, behind Russia, Germany, China and Canada.

People
American respondents believe that if they visited the UK the people would make them feel very welcome (the UK is in 3rd place for 'welcome' behind Australia and Canada). They would also like to have someone from the UK as a close friend (2nd behind Australia).

Americans are particularly keen to hire a British person for an important position in their organisation, highlighting the strong opinion that Americans have of the British people.

Tourism
If money was no object Americans would like to visit Australia followed by the UK. Americans rank the UK in 2nd position behind Italy for being rich in built heritage / historical heritage. The UK is ranked 11th for being a country rich in natural beauty, with Australia, Switzerland and Ireland in the top three positions.

Governance
The UK is perceived to be competently, honestly and fairly governed and a country that respects the human rights of its citizens and treats them with fairness (in 2nd place behind Canada).

When thinking about the international arena, the UK moves into first position as a country that behaves responsibly in the areas of international peace and security and a country that behaves responsibly towards international concerns over the environment and world poverty.

Exports
American's rank the UK in third place behind Japan and China for a country that makes a major contribution to innovation in science and technology. Having a product 'made in the UK' is perceived to be very positive by American respondents who rank the UK in 2nd place behind Japan.

Investment
Americans would happily live and work in Australia, followed by Canada and the UK. The UK is viewed particularly highly for the quality of educational provision and is in first place.

General perceptions of Britain

A qualitative European Travel Commission / Menlo study of the Image of EUROPE (generally) in North America, found that the United Kingdom as a region of Europe is easily distinguished by its geography and commonly associated with:

Pubs, castles, lush fields, Shakespeare, Sherlock Holmes, bobbies, the changing of the guard, royalty, the colour green and historical ties to the United States. Some focus group participants noted that as a country, the UK was particularly friendly to Americans and the least "foreign" of the European regions.

Project Lion Brand Development Research carried out in USA in late 2002 discovered that American respondents viewed Britain with a great sense of intrigue. This stemmed from an interesting mix of perceptions of Britain as attractive in the sense it offered a very different holiday to the US itself, whilst at the same time being inextricably linked in historical terms. In other terms, Britain was affectionately regarded as somewhat of a close relative or ancestor, albeit a more traditional and 'learned' one. "We base our whole culture on England. It's where our history came from. Their history is longstanding."

Both those who had visited Britain and those who had not agreed that there was a depth of history to Britain that could be explored in the architecture, the castles and stately homes, the well known sights of London and the well broadcast pageantry.

Others, notably male respondents, displayed this keen sense of Britain's heritage in their expressed fondness of the traditional links with golf courses of Scotland ("the home of golf"). A large part of Britain's attraction came from the perception that it looked after and nurtured its past – something American respondents felt was missing from their society and culture. "They hold on to tradition. They take care of what they have. There are schools that are 500 years old! I want to see that kind of thing. Here a school of 30 years old is ripped down for a new one." This quote suggests that Britain was not deemed to be old fashioned in a negative way. Britain was felt to be more the prime example of a reflection of heritage and history in modern-day life ("living history").

Britain was also often seen to form an intrinsic and essential part of a wider European 'tour'. It possessed a special fondness no doubt because of the shared language, but it was also felt to be particularly well suited to a tour or itinerary-style holiday, with its variety of urban and rural landscapes meeting the needs of the American traveller's sense of activity.

Internet users

Just under 70% of consumers using the internet as a source of information were aged between 18-44, regardless of the stage of planning. This emphasises the confidence and ability that the younger to mid age groups have in searching for information on the Internet.

In terms of education just over half of international travellers had had some college education or had graduated from college. A further 15% are post-graduates. They are therefore fairly educated and are likely to be familiar and confident with using the Internet generally.

Brochure preference (amongst those who use brochures)

However, in terms of brochures - 60% of consumers would prefer to receive a printed brochure, a fifth prefer to download a version online and 14% prefer both.

VB.COM

About 96% of VisitBritain's consumer contact in the USA is on-line.

Research was carried out in 2005 to understand attitudes towards VisitBritain's consumer website, VB.com. 2,400 American users were surveyed. 69% were planned to visit Britain for a holiday (and a further 17% for VFR).

US respondents were more likely to travel to Britain in a couple and / or with adult friends / family. Those with children aged 0-11 are slightly less likely to have been to Britain already than the other groups. They are also the group most likely to have come to the website to buy / book flights and accommodation and in search of special offers.

There are no other major differences between the groups in terms of what they are looking at on the website and their ratings of the website. This is good news because it means we can cater for all groups with one generic site and do not need to target each group individually. 5 key "travelling group" segments were identified:

Couple Only (37%)
51% aged 45-64. 76%
Holiday, 16% VFR. 46% 1st time visitors to Britain

Adult friends / family members but no children (30%)
47% aged 45-64.
80% holiday, 12% VFR. 47% 1st visitors to Britain

Lone Traveller (16%)
43% aged 35-54.
49% Holiday, 29% VFR, 10% Study. 51% 1st visitors to Britain

Anyone with young children aged 0-11 (9%)
63% aged 25-44.
62% holiday, 25% VFR. 56% 1st time visitors to Britain

Anyone with teenage children (12-17), but no young children (7%)
77% aged 35-54.
76% holiday, 15% VFR. 47% 1st time visitors to Britain

2/3 of web visitors were in a fairly advanced stage of travel planning. 21% were definitely coming to Britain and had made some bookings; 45% were planning to travel to Britain but had not yet booked.

In terms of information sought, 46% came to VB.com seeking Events & Attraction information, and 43% detailed information on places and regions within Britain. Maps and places to stay (38%) were also popular, and just under 1/3 were looking for "special offers".

Words most likely to be used to describe VB.com were: Customer Friendly, Useful and Welcoming, but Americans didn't find it particularly Authoritative or Inspirational.

There was a high interest in purchasing on VB.com (only 12% not interested, primarily due to a reluctance to purchase anything online), with accommodation and tickets (events, attractions, regional transport) being of most interest.

Media Habits

According to Public Diplomacy Brand Tracking Research conducted in 2003, over 42% of young (under 40), educated ABC1 Americans form their perceptions from broadcast media – primarily National TV News.

National TV News	42%
Local Press	26%
Internet / Websites	18%
Other International Press	14%
Visiting UK personally	12%
BBC World TV	9%
Books	9%

Press

Newspapers and magazines are extremely popular in America. Each city has its own newspaper(s), with only one or two being truly national. However, all have on-line editions that are read across the country. The range of magazines is somewhat overwhelming, with titles focused on every interest you can imagine. In our experience magazines in the travel, epicurean and lifestyle categories respond very well for Britain.

Films

Film studios have made more on DVD sales and licensing products than on theatrical releases for some time. Now, technologies like TiVo, video-on-demand and high-definition televisions are keeping more people at home.

Last year Americans spent an average of 78 hours watching videos and DVD's, a 53 percent increase on 2000. (Motion Picture Association of America). DVD sales and rentals soared 676.5% during the same period, and 60% of all homes with a television set now also have a DVD player. DVD sales and rentals alone were about $21 billion, (Digital Entertainment Group). By contrast, movie attendance has increased 8.1% from 2000 to 2004.

This does not mean that the $9.5 billion theatrical movie business is anywhere near its last gasp. It still plays a crucial role for the studios in generating excitement.

Travel Press

The travel press has gone through some enormous changes over the last few years. Some newspaper circulations are down between 5-10% on two years ago, partly due to the availability of on-line editions.

Traditional newspapers are now beefing up their resources on the on-line versions, with no restrictions on space; greater editorial content can be given in the on-line environment.

11) The Trade

Overview of trade structure

The trade structure in the US is dominated by agents and operators and is split as below:

Tour Operator:	**Retail Travel Agent**:
Coach Tour	Consortia
FIT	Independent
Non-Profit	Online Agency
Special Interest	

Intelligence from travel partners suggests that the traditional coach tour groups continue to decline and FIT trips and product is gaining market share.

Despite the spate of doom concerning the future of the travel agency as the interface between client and supplier, this distribution mechanism is likely to remain the dominant force in the dissemination and sale of international travel.

In the industry today, alliances are everything and everywhere and VisitBritain is increasingly targeting these consortia in our travel trade strategy.

American Tour Operators

On the VisitBritain database, there are 550 qualified tour operator companies with Britain product, ranging from small to large size. Many larger companies belong to an association, either USTOA (United States Tour Operators Association) or NTA (National Tour Association). Many operators are also preferred suppliers of retail consortia, e.g. Vacation.Com, Virtuoso, Ensemble Travel (new name for GIANTS).

The planning cycle for operators depends on the size of the company and business focus. Many do have main season and off-season product, so will engage in the buying process with suppliers in spring for the following year.

Tour operators can get over 50% of sales from retail agents, especially on group business. Large operators employ sales reps throughout the USA to target agents and group organisers, paying higher commissions to large agency chains like American Express.

Operators will tend to approach ground handlers for complex planning (non-profit) and some will end up working with a number of ground handlers depending on service and speciality they provide.

Tour Operators are a good sector to target to try in order to try and get them to include your destination or product in their programs. Whilst there are over 500 tour operators in the market there are ways to focus your work. The 2 major organisations VisitBritain works with are USTOA and NTA. Both of these organisations have annual conventions, which are often a mixture of networking sessions, seminars, social activities and often a trade show.

NTA

NTA is made up of nearly 4,000 members with 660 tour operator members and brings together those who package travel - group as well as individual trips - with suppliers and destinations who represent the various components of a trip. Although NTA is based in North America, their membership spans the globe.

NTA is a great organisation for the smaller tour operator. It does have some challenges in the respect of several tour operators who belong to NTA do not sell international travel as yet. However, their annual convention provides you with the platform you need to meet and chat with people who have a genuine interest in your product. NTA operators want to learn, they are very enthusiastic and this provides you with a great opportunity to build relationships.

Further information: www.ntaonline.com

USTOA

USTOA tends to have the larger tour operators as members and there are 750 members in total. The USTOA Annual Conference is open to all organisations and companies that are Associate or Allied Members of USTOA. USTOA comprises of the largest and most influential tour operators in the USA and according to a recent survey; USTOA companies move more than 10 million passengers annually and account for an annual sales volume of more than $8 billion.

Further information: www.ustoa.com

American Travel Agencies

American travellers' reliance on travel agents in planning and booking vacations has lessened dramatically, largely as a result of the Internet.

The main association for travel agents in the USA is ASTA (American Society of Travel Agents). As of July 2004, there were 23,213 accredited travel agency locations in the US, according to ASTA. For more information see www.astanet.com.

While the air carriers have squeezed commission levels to cut costs, other types of supplier (wholesaler, tour operator, hotelier, cruise operator, car hire company, etc.) continue to refine and cultivate their agency-based distribution channels. All types of travel supplier reward exceptional performance with deepened commission levels. It is therefore advisable to work with agents if you have a product to sell that is commissionable. Agents are selling in tough times and are looking to sell products that they get commission on.

In response to this much more competitive environment, travel agencies have tended to consolidate, with smaller agencies giving up their independence in order to merge with larger operations (e.g. Vacation.com, Virtuoso, Ensemble, etc) to save on overheads and administration they are no longer able to afford. Increasingly more retail travel agents are joining consortia for the benefits and support services they offer. All agents are pre-qualified by the consortia prior to membership, because they deliver good international business and revenue.

Vacation.com

Vacation.com is the largest network of travel agencies in North America with over 8,000 member locations across the United States and Canada. They are the product of the acquisition and consolidation in 1998 of ten leading travel agency marketing organizations (GEM, GEM Canada, Cruiselink, SPACE, ACTION 6, TIME, Consolidated Travel Services, Crown Travel Group, The Consortium, and AURA). Membership of this organisation offers great access to these agents and their annual convention offers fantastic networking opportunities.

Further information: www.joinvacation.com

Virtuoso

Virtuoso is an exclusive network of more than 6,000 elite travel specialists in North and South America. A privately owned company, Virtuoso provides marketing, sales, technology support, and exclusive services and products to leading independent luxury travel agencies. Comprising of 285 independent travel agencies, as well as a combined consumer database of approximately 1 million affluent leisure travellers, Virtuoso members generate $3 billion annually in travel sales, making the group the most powerful in the luxury travel segment.

Virtuoso's regular member surveys give insight into the lifestyles of the world's wealthiest travellers:

- Hottest travel trend younger (34-52 years) = 24% active / adventure.
- Hottest travel trend older (53+) = 44% luxury cruises.
- Escorted group travel is declining in popularity regardless of age.
- When preparing for a vacation, Neiman Marcus is the most popular retailer for pre-trip shopping (24%).
- Outdoor/nature components are an increasing trend.
- For 8%, Gordon Ramsey, Claridges was the hottest international restaurant in 2003.
- Wimbledon was the international event best attended by affluent travellers in 2003 (39%).
- 66% of clients use Internet to access travel info and 61% communicate with Virtuoso via email.
- Sources of influence with biggest impact on clients' travel choices: 55% recommendation; 19% travel mags; 8% lifestyle/culinary mags with travel sections.
- Paris is the most popular foreign destination for shopping (32%) – 10% for London.

Further information: www.virtuoso.com

Affinity Travel

Many Americans are members of an alumni association, museum, gallery or other "non-profit" membership organisation. The actual size of the market is estimated at 2.4 million travellers – those who have taken trips with their member organisation. However, the potential size of market is estimated to be 4.5 million travellers – these being alumni members who have expressed an interest in travelling internationally. Sales volume of this market is estimated at $660million. A key ingredient of a non-profit tour is the educational experience typically embracing heritage and culture and self-enhancement.

In the US, Non Profit Organisations (NPO) such as art galleries, museums and alumni associations provide travel programs for their members/ 'friends' and donors. These 'affinity' programs have a strong educational focus relating to special interest areas of art, history, architecture, gardening, walking, theatre or music. The tour participants are generally people in their fifties and over. They are leisure travellers who are seeking new experiences, learning with like-minded people and personal fulfilment through travel (experiential travel).

Specialist 'suppliers' (tour operators) work closely with the NPO to arrange most of the tours. There are about ten top suppliers in the US including: Alumni Holidays International (Oakbrook, IL) Gohagan Travel (Chicago, IL), InTrav (St. Louis, MO), Elderhostel (Boston, MA), Academic Arrangements Abroad (New York, NY) and IST Cultural Tours (New York, NY). These companies manage 80% of the market.

Destinations are selected over one year in advance by the NPO's in-house 'travel planner'. Most planners will simply purchase pre-packaged tours from suppliers and make slight alterations. A few will custom design a tour to suit more specific requirements of their members. Often feedback from previous travellers will help to determine the educational focus and destination.

Representatives

UK suppliers can also sell through a representative in the US. This is an effective method, but normally the most costly means of selling your product overseas. It has several advantages:

Your product is instantly bookable through the retail trade, who have a toll free number they can use.

The representative can distribute brochures & undertake marketing on your behalf.

The representative has knowledge of the market so can offer advice on how the product should be packaged and sold.

Reaching the American Travel Trade

One of the best ways to target the trade is to make contact with them face to face via sales calls. VisitBritain can assist you in identifying which operators are most suitable for your product.

Sales Calls – Top Tips

- Plan early! Try and visit when VisitBritain is organising or participating in a consumer or trade event, which would give you greater exposure than you might otherwise receive.
- Make an appointment to see the local VisitBritain office at the start of your visit. They will update you on the state of the market and the potential of your travel product in the area.
- When making appointments it is best to avoid Monday mornings and Friday afternoons. Be sure to have a good supply of business cards and brochures with you.
- When visiting the USA (New York and San Francisco excepted), it is always important to remember that the structure of American cities is based wholly on the cult of the car and you therefore need to hire a car to make effective use of your time. Distances in southern California are especially great, and it is advisable not to pack too many appointments into one day – when planning allow plenty of time to get to the next appointment.
- In the larger travel agencies, expect to see many agents, not always on one visit. Many larger agencies employ independent contractors who have their own clients and sub-lease their office space. Always leave more than one brochure.
- When calling on wholesalers, quote net prices, sufficient to allow them a 20%-25% mark-up, as they will have to relinquish at least 10% to a travel agent.
- The best times of the year to call are between January and April for travel agents and between April and June for wholesalers, for inclusion in the following year's programme.
- The major national holidays are often seen in the US as a chance for far-flung families to get together and, if possible, extend the prescribed vacation period. When visiting, avoid 4th July, Thanksgiving (November), Christmas and Rosh Hashanah/Yom Kippur (September/October).

Planning a sales trip to the US?

As of June 26, 2005, the Department of Homeland Security (DHS) has announced that all persons from countries in the Visa Waiver Program (VWP) must present a machine-readable passport (MRP) to enter the United States without a visa. While this requirement has been in effect since October 26, 2004, DHS has allowed Customs and Border Protection (CBP) officers the discretion to grant a one-time exemption from the requirement to travelers who apply for entry under the program but who do not possess the required passport or B-1/B-2 visitor visa. The exemption has been effective for a single entry to the United States; VWP travelers who make an incidental trip to Canada, Mexico or an adjacent island as part of their trip may not be permitted to reenter the United States without an MRP or B-1/B-2 visitor visa, though exceptions are available to cruise ship travelers who will be making successive stops at U.S. ports during their trip. This limited exemption period ended on June 26, 2005. Starting on that date, transportation carriers will be fined $3,300 per violation for transporting any Visa Waiver traveler to the U.S. who does not possess a machine-readable passport.

Trade Fairs

VisitBritain exhibits at the following trade fairs and annual conventions each year: NTA, USTOA, Vacation.com, Virtuoso Travel Mart, Educational Travel Conference: If you are a member of any of the above consortia and are planning to attend the annual conventions, then please let VisitBritain know as we will endeavour to include you in our pre-convention marketing efforts where possible.

12) Business Visits / Events

Business Visits Statistics

• 20% of travel from the USA to the UK in 2004 was for business purposes, and this accounted for 31% of spend (IPS).

BUSINESS VISITORS USA	Visits 2004 (000)	% Business Visits	Spend 2004 (£m)	% Business Spend
Trade Fair/Exhibition	23	3.2	26	3.5
Conference/Large Meeting	113	15.5	109	14.5
Other Business	592	81.3	613	82.0
BUSINESS VISITORS USA	**AEV £**	**AED £**	**ALS Days**	
Trade Fair/Exhibition	1125	215	5.2	
Conference/Large Meeting	958	169	5.7	
Other Business	1035	174	5.9	

• American Business visits are made up of 19% Conferences, Large Meetings, Trade Fairs or Exhibitions and 81% individual business travel.

Business Visits Trends

From an independent survey of almost 600 business travellers conducted by Travelocity:

– Price has become the main motivator for flights
– Car rentals are up
– 85% of business travellers are flying economy
– Location is the most important factor for hotel bookings

Although this survey was based on US domestic travel trends it probably indicates that the corporate traveller's profile is becoming more and more similar to that of the leisure traveller

Business travel should continue to show a come- back but not necessarily using traditional business travel expense accounts. The Incentive Industry in the US is discovering family values with "family inclusive" incentives the result. Britain can capture market share if companies are willing to slightly change their product to give customers what they are looking for.

Return on Investment is driving business decisions, incentives are increasingly being seen as investments, not just rewards, meaning better alignment of incentives with corporate objectives. Shorter more targeted incentives are forecast to become more common.

Incentive Travel research for 2000 has shown the following:

– Average Incentive Groups size is 383
– Average length of stay is 6.05 nights
– Average expenditure on each incentive traveller is $3863

Lead times for all events are becoming shorter for both corporate meeting and incentive groups - around 3-6 months.

UK & Competition

The bulk of the US meetings market is domestic with offshore meetings conventions and incentives comprising around 16% of the total meetings market, an estimated 16 billion in expenditure.

Canada is the number one international destination for US corporate and association meetings, the most popular incentive destinations are the Caribbean, Bermuda & Hawaii.

Among international corporate meeting planners, 63% say they use England as a meeting destination (ASAE / MPI 1999 meetings outlook survey).

Europe is the largest overseas market for US offshore meetings. The UK, France, Italy and Spain have garnered the most interest in the meetings market and continue to do so. Germany and Austria are also strong competitors. New businesses are also moving into some central European destinations.

For International Associations meetings, the UK attracted 9.7% of the outgoing business. Short-haul destinations represent more than half of the offshore association meetings and conventions market. 41% visited Canada, Alaska or Mexico with a further 16% visiting the Caribbean, Bermuda or Hawaii. Within Europe, the UK and France are the most popular destinations for conventions and conferences.

For Incentive travel the figure for the UK is 7.7%, with 18.3% visiting other destinations in Europe. Short-haul destinations again dominate the market. The most popular destinations are The Caribbean, Bermuda, Hawaii, Canada, Alaska and Mexico. Cruising also offers strong competition in the offshore incentive travel market. Cruise lines are now aggressively targeting the meeting and convention segments developing products and services to meet the growing needs of meeting planners. The UK remains the single most popular Incentive Travel destination.

Trade Structure

The "meetings market" which encompasses meetings conducted by corporations, associations, conventions and incentive travel has become one of the largest and most dynamic components of the travel industry in the United States. Meetings, conventions and incentive travel account for more than 1/3rd of the hotel industry's operating revenue and for nearly _ of the air transportation industry's operating revenue.

The US has more than 145,000 associations, around 13,000 are international associations headquartered in the US mainly in Washington, New York and Chicago.

Incentive travel is used by just under 30% of American businesses. The value of incentives is widely recognised and the outlook for the continued growth of this is positive.

13) VisitBritain in the USA

Working in Partnership with VisitBritain

There are many ways of working in partnership with VisitBritain in any of our 37 global markets. We deliver numerous marketing campaigns and produce various targeted guides and publications which are seen by millions of potential visitors throughout the world – offering excellent advertising and partnership opportunities.

We undertake both print and online advertising, and produce e-newsletters communicating with both consumers (via our substantial databases) and our trade partners on-territory whilst the exhibitions, workshops, sales missions and media events we organise provide the perfect platform to promote your product firsthand to trade, press and consumer visitors.

In some markets where the travel trade remains a crucial element of the booking process we produce Agents' Sales Guides and offer Agents' on-line training programmes to ensure both the destination and range of British tourism product is at the forefront of the travel agent's mind.

For more details on these and other diverse opportunities in markets of interest to you, please visit our UK Industry Website and read our worldwide marketing prospectus, or contact your VisitBritain representative in London or overseas.

www.visitbritain.com/ukindustry

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www.tourismtrade.org.uk/visitbritaincontacts/OverseasMarkets

Alternatively, visit VisitBritain's dedicated website for the UK tourism industry: **www.visitbritain.com/ukindustry**

Why not sign up to our Industry E-Newsletter, or register with VisitBritain to be kept up to date with all that's new in America and other markets worldwide?

Information Sources used to compile this report

- International Passenger Survey figures (IPS) 2004 (Office for National Statistics)

NB: *Data from International Passenger Survey has been made available by the Office for National Statistics and has been used by permission. The ONS do not bear any responsibility for the analysis or interpretation of the data reported here.*

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- VB.COM Web User Survey 2005 (Quantitative)
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- Foresight – July 2005
- IMF / Economist / US Census Bureau
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- American Express / Departures
- Virtuoso
- Ledbury Research
- FCO (Foreign & Commonwealth Office)
- ETC (European Travel Commission)
- ETC New Media Review http://www.etcnewmedia.com/review (has a wealth of further facts and figures on the US Online Market)
- VisitBritain USA Business Plans, Insights and Intelligence Reports 2005

VisitBritain also subscribe to an excellent publication by Menlo Consulting Group – "Travelstyles – Americans as International Travellers" which is a bi-annual survey of almost 3000 American international pleasure travellers and over 500 international business travellers. Unfortunately we are legally unable to publish findings from this syndicated report here.
http://www.menloconsulting.com/what_we_do/travelstyles.htm