National Tour Association
2003 April Member Needs Survey Summary

Introduction

During 2003 the quarterly members needs surveys will be themed. The adoption of themes for surveys will make the data more understandable and usable for members and for NTA. To theme the surveys, staff will take topics of interest that are discussed, along with industry trends and subjects relevant at the time of surveying, and develop questions along those lines. That will give NTA and its members a better understanding of how they, and the packaged travel industry, fits with other industry trends and member viewpoints on industry issues. The theme for the April Member Needs Survey was members use of the Internet and ongoing trend questions.

Tour Operators

Travel Trends

Nearly one-quarter (24 percent) of the tour operators surveyed said the number of passengers their company served during the first quarter of 2003 (January – March) was greater than the first quarter of 2002. More than half (56 percent) said that number was less and 19 percent said the number of passengers was the same.

According to NTA tour operators, the number of departures during the first quarter was also fewer than 2002. Again, only one quarter (23 percent) said the number was greater than 2002 with 46 percent saying less than and 31 percent stating it was the same.

With both the number of passengers and departures down for the first quarter of 2003, it is not surprising that the overall sales volume was down. More than one-half (51 percent) said it was less than 2002. Nearly one-third (32 percent) of the tour operators surveyed said their overall sales volume was greater than the first quarter of 2002 and 17 percent said it was the same. In all cases the reasons given for the decrease in business includes the “war with Iraq”, the “threat of war” and the “economy”.

Tour operators do not seem optimistic about their sales volume for the second quarter of 2003 compared to 2002. Less than one quarter (23 percent) expect their sale volume to be greater with more than one-half (52 percent) expecting to be less than 2002. Twenty-five percent expect their sales volume to be the same as the second quarter 2002. “War” and the “economy” seem to be reasons for the decrease while the fact that the “war is over” seems to be the reason for the increase.

Tour operators were asked how many trips their company has canceled and how many passengers have canceled as a result of the war with Iraq (March 19). An average of 9 trips and 204 passengers have canceled according the tour operators responding.

Tour operator companies are seeing a number of trends among consumers, the most prevalent being that travelers are staying closer to home (77 percent). Tour operators also stated that travelers are taking shorter trips (65 percent). Not surprisingly more than half (53 percent) stated they are seeing a decrease in the number of travelers to destinations outside North America, while one-third (33 percent) are seeing an increase in the number of travelers to destinations within North America. Tour operators are also reporting an increase in business-to-business partnering (38 percent).

Tour Operator Web Sites

More than three quarters (81 percent) of NTA tour operators have a Web site. However only 31 percent of those tour operators say their Web site has booking capabilities. Even fewer (9 percent) say their company has a partnership with Internet travel companies like Expedia, vactions.com, etc. Tour operators say the reasons they don't have such partnerships is because it is "too expensive." Others say it they are "just not interested" or they "need more information."

Tour Operators Use of the Internet

When asked how they used the Internet at work, 95 percent of NTA tour operators said they use it for e-mail, followed closely by destination research (94 percent). Other functions of the Internet for tour operators include tour supplier research (69 percent), promote their company (60 percent), other tour operator research (56 percent), industry/trend research (55 percent), marketing to consumers (45 percent), NTA Convention appointment research (41 percent) and market to other tour operators (20 percent).

Nearly two-thirds (64 percent) of the tour operators surveyed say they use NTA Online for NTA news and information. NTA Convention news and information is also used by two-thirds (63 percent) of tour operators, while more than half (58 percent) use NTA Online for industry news. This is followed by tour supplier research (43 percent), destination research (40 percent), tour operator research (38 percent), industry research (32 percent) and the NTA member forums (24 percent).

Preferred Method of Communication

The methods of communication most preferred by tour operators from NTA headquarters is e-mail, followed by fax, regular mail and phone.

DMO Group Tour Manuals

More than half (59 percent) of NTA tour operators still prefer to receive DMO group tour manuals in a printed version. Nearly one-third (28 percent) would prefer to obtain this information through the DMO's Web site and an additional 13 percent would prefer a CD ROM.

Travel Clubs

Twenty-two percent of tour operators have a travel club for their customers. Benefits included in these travel clubs are discounts on future travel, newsletter, discounts on travel products, and loyalty programs.

Tour Suppliers

Travel Trends
When tour suppliers were asked about the number of customers they had during the first quarter of 2003, nearly one-third (29 percent) said the number of customers was greater than 2002. Nearly one half (47 percent) said the number of customers they had during the first quarter of 2003 was less than the first quarter of 2002 and 24 percent said it was the same. Tour suppliers cited the “pending war”, “economy” and “bad weather” for the decrease in customers. Several tour suppliers mentioned that their business was “seasonal” and therefore closed during the first quarter.

Tour supplier’s predictions almost mirror tour operators with 25 percent expecting the number of customers to be greater during the second quarter of 2003 compared to the second quarter of 2002. Forty-five percent expect fewer customers, while 30 percent expect the same. The “war” is the major reason for the decrease, followed by “SARS” and the “economy.”

Tour suppliers were also asked how many groups and independent travelers have cancelled their reservation as a result of the war with Iraq (March 19). An average of 11 groups have canceled which is similar to the number of trips tour operators have had to cancel. Tour suppliers said an average of 105 independent travelers cancelled their reservation.

Tour Supplier Web Sites
Nearly all tour supplier members say their company has a Web site (97 percent). More than half (58 percent) of those tour suppliers say their Web site has booking capabilities.

Forty-six percent of the tour suppliers who have Web sites say their company has a partnership with Internet travel sites like Expedia and vacations.com. The most popular Internet travel sites with which tour suppliers have partnerships are Expedia, hotels.com, Travelocity, Priceline, lodging.com and Orbitz.

Tour Suppliers Use of the Internet
Tour suppliers use the Internet at work in a similar fashion as tour operators, with 97 percent using it for e-mail. More than three quarters (76 percent) use the Internet for tour operator research, followed by NTA Convention appointment research (72 percent), promote their company (71 percent), industry/trend research (66 percent), market to tour operators (63 percent), market to consumers (59 percent), destination research (58 percent) and market to travel agents (38 percent).

Three-quarters (76 percent) say they use NTA Online for NTA Convention appointment research, followed by tour operator research (68 percent), industry news (62 percent), NTA news and information (61 percent), industry research (34 percent), destination research (25 percent) and the NTA member forums (15 percent).

Preferred Method of Communication
The method of communication most preferred by tour suppliers from NTA headquarters is e-mail, followed by fax, regular mail and phone.

DMOs

Travel Trends

DMOs were asked about the number of visitors to their area during the first quarter of 2003 compared to 2002. Twenty-seven percent said the number was greater than last year with 38 percent saying it was less than and 35 percent saying it was the same. Again, the “economy”, “war with Iraq” and “bad weather” were the reasons given for the decreases.

DMOs are slightly more optimistic than tour operators and tour suppliers for the second quarter of 2003 with 47 percent expecting an increase in the number of visitors compared to the second quarter of 2002. Fewer than one-quarter (23 percent) expect the number of visitors to be less while 30 percent expect it to be the same.

NTA Member Web Sites

Every DMO who responded to the survey said their organization has a Web site (100 percent). One-third (33 percent) of the DMOs say their Web sites have booking capabilities.

DMOs Use of the Internet

Nearly all DMOs use the Internet at work for e-mail (98 percent). Eighty-six percent of DMOs use the Internet for both NTA Convention appointment research and to promote their organization. This is followed closely by industry/trend research (85 percent), tour operator research (80 percent), market to tour operators (76 percent), market to consumers (73 percent), market to meeting/convention planners (61 percent), market to travel agents (48 percent), and tour supplier research (35 percent).

Eighty-three percent of the DMOs surveyed use NTA Online for both tour operator research and NTA Convention and meetings information. More than three-quarters (77 percent) use NTA Online for industry news, followed by NTA news and information (71 percent), industry research (61 percent), destination research (36 percent), NTA member forums (19 percent) and tour supplier research (19 percent).

Preferred Method of Communication

The methods of communication most preferred by DMOs from NTA headquarters is e-mail, followed by regular mail, fax and phone.

DMO Group Tour Manuals

The majority (80 percent) of DMOs still print their group tour manuals. Fifteen percent offer this information through their Web site and the remaining five percent offer a CD ROM. As stated earlier, 59 percent of tour operators prefer a printed version, 28 prefer the DMO Web site and only 13 percent prefer a CD ROM.

Appendix

First Quarter of 2003 Compared with 2002

	Sales Volume (Tour Operators)	Number of Customers (Tour Suppliers)	Number of Visitors (DMOs)
Greater than 2002	32%	29%	27%
Less than 2002	51%	47%	38%
Same as 2002	17%	24%	35%

Projections for Second Quarter of 2003 Compared with 2002

	Sales Volume (Tour Operators)	Number of Customers (Tour Suppliers)	Number of Visitors (DMOs)
Greater than 2002	23%	25%	47%
Less than 2002	52%	45%	23%
Same as 2002	25%	30%	30%

Trends Tour Operator Companies Are Experiencing

	Tour Operators
Increase in business to business partnering	38%
Travelers are taking shorter trips	65%
Travelers are taking longer trips	5%
Travelers are staying closer to home	77%
People are beginning to travel further from home	9%
Increase in the number of group travelers	16%
Decrease in the number of group travelers	48%
Increase in the number of independent travelers	13%
Decrease in the number of independent travelers	21%
Increase in the number of travelers to destinations outside North America	1%
Decrease in the number of travelers to destinations outside North America	53%
Increase in the number of travelers to destinations within North America	33%
Decrease in the number of travelers to destinations within North America	27%

NTA Member Web Sites

	Tour Operators	Tour Suppliers	DMOs
Have Web Sites	81%	97%	100%
Web Site Has Booking Capabilities	31%	58%	33%

How NTA Members Use NTA Online

	Tour Operators	Tour Suppliers	DMOs
NTA Convention and meetings information	76%	76%	83%
Tour operator research	68%	68%	83%
Industry news	62%	62%	77%
NTA news/information	61%	61%	71%
Tour supplier research	43%	--	19%
Industry research	34%	34%	61%
Destination research	25%	25%	36%
Forums	15%	15%	19%
Do not access NTA Online	6%	6%	3%

Preferred Method of Communication from NTA Headquarters

	Tour Operators	Tour Suppliers	DMOs
E-mail	#1	#1	#1
Fax	#2	#2	#3
Regular Mail	#3	#3	#2
Phone	#4	#4	#4

Group Tour Manuals

	How Tour Operators Prefer to Receive	How DMOs Distribute
Print	59%	80%
CD ROM	13%	5%
Web Site	28%	15%

Number of Years Worked in the Travel Industry

	Tour Operators	Tour Suppliers	DMOs
Average	19	14	14

Member Gender

	Tour Operators	Tour Suppliers	DMOs
Female	48%	72%	83%
Male	52%	28%	17%

Member Location

	Tour Operators	Tour Suppliers	DMOs
United States	93%	82%	90%
Canada	6%	17%	9%
International Affiliate	1%	1%	1%

Member Age

	Tour Operators	Tour Suppliers	DMOs
18 – 24	0%	2%	3%
25 – 29	0%	9%	8%
30 – 34	3%	16%	12%
35 – 39	7%	15%	18%
40 – 44	16%	15%	16%
45 – 49	17%	15%	17%
50 – 54	18%	16%	15%
55 – 59	15%	8%	6%
60 – 64	18%	3%	4%
65 and older	6%	1%	2%

Methodology

On April 14, surveys invitations were sent to NTA member categories – tour operators, tour suppliers and DMOs. The e-mail messages contained a link to the Web survey. Members were asked to click on the link to complete the survey. For members whom we didn't have an e-mail address for, they were sent a faxed copy of the survey.

Two reminder messages were sent to members who had not completed the survey. The final deadline for members to submit their survey was May 14.

Response Rate

	Tour Operators	Tour Suppliers	DMOs
Response Rate	22%	17%	17%