National Tour Association
2005 April Member Needs Survey Summary
Tour Operator Profile

Introduction

In April 2005, surveys were e-mailed to 521 NTA tour operator members. Three reminders were sent to tour operators to complete the survey. In total, 144 tour operators submitted their survey for an overall response rate of 27 percent.

This survey is designed to gather important information about products, markets, promotion and distribution channels of NTA tour operators. The results from this survey are critical in helping NTA clearly define and target marketing programs and business opportunities for tour operators.

Summary of Results

Product Market Category

Nearly all NTA tour operators (96 percent) offer escorted group tours. Fewer tour operators offer one-day sightseeing tours (51 percent), while slightly more than half (51 percent) of the tour operators surveyed say that their company offers receptive services to other tour operators. Nearly one-half (49 percent) of the tour operators surveyed offer independent packages. This is a 26 percent increase over 2003 – a significant change.

While, thirty-seven percent offering sightseeing tours as a component of conferences/conventions, 18 percent say that their company involves itself with any/all components of meeting planning, a 31 percent decrease from 2003. Just 12 percent of NTA tour operators own their own motorcoaches.

Response	2003	2005	% Change
My company offers group tours	96%	96%	--
My company offers one-day sightseeing tours	55%	51%	-7%
My company offers receptive services to other tour operators	50%	51%	+2%
My company offers independent packages (FITs)	39%	49%	+26%
My company offers sightseeing tours as a component of conferences/conventions	35%	35%	--
My company offers an independent charter service (with our own motorcoaches) to groups other than the ones traveling on our regular group tours	26%	15%	-42%
My company involves itself with any/all of the components of meeting planning	26%	18%	-31%
My company owns its own motorcoaches	--	12%	--

Customer Types
Tour operators were asked what percent of their company's sales volume result from some common customer types within the travel industry: direct to consumers, group leaders, travel agents and other tour operators. When comparing 2003 results to 2005, all categories held steady. One of the biggest changes was the percentage of their company's sale volume that results from consumers. Slightly more than one-third (36 percent) of tour operators sales volume can be attributed to consumers, a 14 percent decrease from 2003. Tour operators seem to be partnering with other tour operators as the percentage of sales volume that is attributed other tour operators is 17 percent – an increase of 23 percent over 2003.

Response	2003	2005	% Change
Consumer (book the product on their own behalf)	42%	36%	-14%
Travel Agent (seats are booked by a travel agent on behalf of the passenger)	13%	15%	+15%
Other Tour Operators (seats are booked by other tour operators on behalf of their clients)	13%	17%	+23%
Group Leader (this person represents the group and books seats on behalf of others, i.e., senior group leaders, etc.)	32%	31%	-3%

We asked those tour operators whose sales volume resulted from group leaders to break down the type of group leaders from whom they get business. When working with group leaders, senior group leaders are still the majority of tour operators' business.

	% Sales Volume
Senior Group Leaders	42%
Other Group Leaders	22%
Teachers/Principals	20%
Bank Travel Directors	16%

Tour operators were asked through which of the following customer types they would like their company to have more business. They were asked to rank each where "1" is the most desirable channel and "7" is the least desirable. According to tour operators, senior group leaders are the most desirable channel for their company to have more business. This is followed by other tour operators at number two (up from number three in 2003) and direct to consumers at number three. Working more directly with consumers is at number three – up from number five in 2003.

Item	2001	2003	2005
Senior Group Leaders	1	2	1
Other Tour Operators	5	3	2
Direct to Consumers	4	5	3
Bank Travel Leaders	3	1	4
All Other Group Leaders	2	4	5
Travel Agents	6	6	6
Students	7	7	7

In order to get a better understanding of the types of passengers NTA tour operators work with, they were asked to select the types of customers their company serves. Not surprisingly, nearly all tour operators serve future seniors/seniors (92 percent) and leading-edge boomers (84%). Nearly half (48 percent) of NTA tour operators serve students in some capacity.

	% of Tour Operators Who Serve the Following
Students (under 21)	48%
Young Adults/Generation X (21-38)	47%
Trailing-Edge Boomers(39-50)	65%
Leading-Edge Boomers (59-59)	84%
Future Seniors/Seniors (60 or older)	92%

Since the majority of NTA tour operators serve future seniors/seniors, it is not surprising the that the highest percentage of their overall customer base is future seniors/seniors. Tour operators report that 46 percent of their customers fall into that category. This is followed by leading-edge boomers (20 percent), students (15 percent) and trailing-edge boomers (13 percent).

	% of Customers
Students (under 21)	15%
Young Adults/Generation X (21-38)	6%
Trailing-Edge Boomers(39-50)	13%
Leading-Edge Boomers (59-59)	20%
Future Seniors/Seniors (60 or older)	46%

Sales Volume

The percent of the overall sales volume resulting from group tours is 79 percent. While much less is a result of independent packages (17 percent), it is still an increase over the 12 percent reported in 2003. This is due to the fact that more NTA tour operators are now offering independent packages. The percent of the overall sales volume resulting from other forms of packaged travel is four percent.

Response	2003	2005	% Change
Group Tours	82%	79%	-4%
Independent Packages (FIT)	12%	17%	+42%
Other	6%	4%	-33%

During 2004, NTA tour operators served an average of 7,725 passengers on overnight packages. However, they predict a better 2005 with an average of 8,207 passengers.

There is also optimism for day trips as well. During 2004, tour operators served an average of 3,077 passengers on day tours. Operators predict an average of 3,499 day trip passengers in 2005.

Average	
Overnight (2004)	7,725
Overnight (2005)	8,207

Average	
Day Trips (2004)	3,077
Day Trips (2005)	3,499

Booking Timelines

According to NTA tour operators, consumers continue to rely on shorter booking times. In 2005, 36 percent of tour operators said that their clients booked their trip three to five years in advance. In 2000, that number was very similar at 35 percent. The biggest difference is in the 45 days in advance category. In 2000, five percent of NTA tour operators said their clients booked their trip 45 days in advance. In 2005 that number is 13 percent – an increase of 160 percent.

Response	2000	2005	% Change
14 days in advance	1%	1%	--
30 days in advance	2%	9%	+350%
45 days in advance	5%	13%	+160%
60 days in advance	10%	9%	-10%
3 to 5 months in advance	35%	36%	+3%
6 months in advance	28%	23%	-18%
1 year in advance	--	4%	--
Not applicable	1%	4%	--
Other	13%	1%	--

Tour/Package Types

There has been a slight shift in the percentage of tours that are scheduled/published versus customized. In 2002, over half of the tours sold by tour operators (51 percent) were scheduled/published. This number has decreased 14 percent to 44 percent in 2005. The percentage of tours sold that are customized has increased 14 percent from 2002 to 56 percent in 2005.

Tour operators were asked which of the following packages they currently offer to their customers. In 2003, 58 percent of tour operators offered event packages. In 2005 that number is 73 percent – an increase of 26 percent. Learning packages are also offered by more tour operators during 2005 – 46 percent versus 34 percent in 2003. Wine tasting, family, agricultural and gay/lesbian packages also saw significant increases during 2005. The largest decreases in popularity were national parks, sports (both participatory and spectator), amusement parks and hard adventure. All of these saw double-digit decreases.

Response	2003	2005	% Change
Historic/Heritage	73%	74%	+1%
Events	58%	73%	+26%
Cultural	67%	71%	+6%
Fall Foliage	74%	71%	-4%
Museum	68%	69%	+1%
Cruises	67%	68%	+1%
Theaters (general)	65%	65%	--
Holiday	63%	64%	+2%
Music	53%	63%	+19%
Dinner Theaters	58%	62%	+7%
National Parks	67%	60%	-10%
Shopping	55%	56%	+2%
Garden (floral)	55%	52%	-5%
Soft Adventure	44%	49%	+11%
Wine Tasting	39%	48%	+23%
Family	35%	46%	+31%
Learning	34%	46%	+35%
Mystery	39%	42%	+8%
Gaming (casino, etc.)	44%	41%	-7%
Religious	33%	36%	+9%
Reunion	35%	33%	-6%
Alumni	31%	32%	+3%
Agricultural	24%	31%	+29%
Sports (spectator)	36%	31%	-14%
Amusement Parks	35%	30%	-14%
Ethnic	--	27%	--
Ecotours	22%	24%	+9%
Intergenerational	28%	22%	-21%
Science	20%	19%	-5%
Sports (skiing, golf, etc.)	26%	17%	-35%
Gay/Lesbian	8%	10%	+25%
Hard Adventure	10%	3%	-70%

International Packages

NTA tour operators are less likely to offer domestic-only packages than in the past. Slightly more than one-quarter (27 percent) of the tour operators surveyed arrange travel packages that are domestic only. This is a 25 percent decrease from 2003. Sixty percent offer international outbound packages, which is a 22 percent increase over 2003. Nearly one-third (32 percent) offer international inbound packages. There is a definite shift with more NTA tour operators offering some type of international packages – whether it be inbound or outbound.

Response	2003	2005	% Change
Domestic Only (North America)	36%	27%	-25%
International Inbound	31%	32%	+3%
International Outbound	49%	60%	+22%

Tour operators whose companies arrange international travel packages were asked specific questions regarding their international inbound and outbound business.

International Inbound
When asked to estimate the percentage of their company's international inbound business that is in the form of group tours, independent packages and other, the overwhelming majority of tour operators said that their business is in the form of group tours (72 percent). Independent packages (FIT) follows with 20 percent. Other types of inbound business accounts for only eight percent.

Eighty-eight percent of tour operators who offer international inbound packages said that their inbound business has either increased (44 percent) or stayed the same (44 percent) during the past year. Only 12 percent said their international inbound business decreased.

Of the tour operators who offer international inbound packages, the top 10 countries for which they offer inbound packages are during 2005 are:

Response	2005
United Kingdom	#1
Germany	#2
France	#3
Italy	#4
Australia	#5
Ireland	#5
New Zealand	#7
Brazil	#8
Spain	#8
Japan	#10
Argentina	#10
Austria	#10
Denmark	#10

Of the tour operators who offer international inbound packages, the top five countries for which they offer inbound packages are during 2005 compared with 2003 are:

Response	2003	2005
United Kingdom	#1	#1
Germany	#2	#2
France	#3	#3
Italy	#4	#4
Australia	#5	#5
Ireland	#5	#5

International Outbound

International outbound business that is in the form of group tours is 75 percent. Just 23 percent is in the form of independent packages, with two percent being other types of outbound business.

Nearly half (49 percent) of the tour operators who offer international outbound packages said that their outbound business has increased during the past year. Thirty-one percent said it stayed the same. Only 20 percent said their international outbound business decreased.

Of the tour operators who offer international outbound packages, the top 10 countries for which they offer outbound packages are:

Response	2005
United Kingdom	#1
Italy	#2
Ireland	#3
France	#4
Germany	#5
Australia	#5
Switzerland	#7
Spain	#8
New Zealand	#9
Austria	#10

Of the tour operators who offer international outbound packages, the top five countries for which they offer inbound packages are during 2005 compared with 2003 are:

Response	2003	2005
United Kingdom	#1	#1
Italy	#3	#2
Ireland	#2	#3
France	#5	#4
Germany	#4	#5
Australia	#6	#5

NTA Tour Operator Members

Nearly one-third (31 percent) of NTA members say their company's annual sales are less than $1 million – a 19 percent increase over 2003. Fully one-third say their company's annual sales is between $1 million and $3 million – a 35 percent decrease from 2003. However, the biggest gains are in the $3 million to $5 million range (a 40 percent increase) and annual sales more than $7 million (a 19 percent increase).

Response	2003	2005	% Change
Annual sales less than $1 million	26%	31%	+19%
Annual sales $1 million to $3 million	46%	33%	-35%
Annual sales $3 million to $5 million	10%	14%	+40%
Annual sales $5 million to $7 million	5%	5%	--
Annual sales more than $7 million	13%	17%	+19%

NTA Tour operator member have worked in the travel industry an average of 21 years. When asked how long they have personally been a member of the association, the average is 11 years.