

Market Overview

US Market

3 March 2024

David DiGregorio

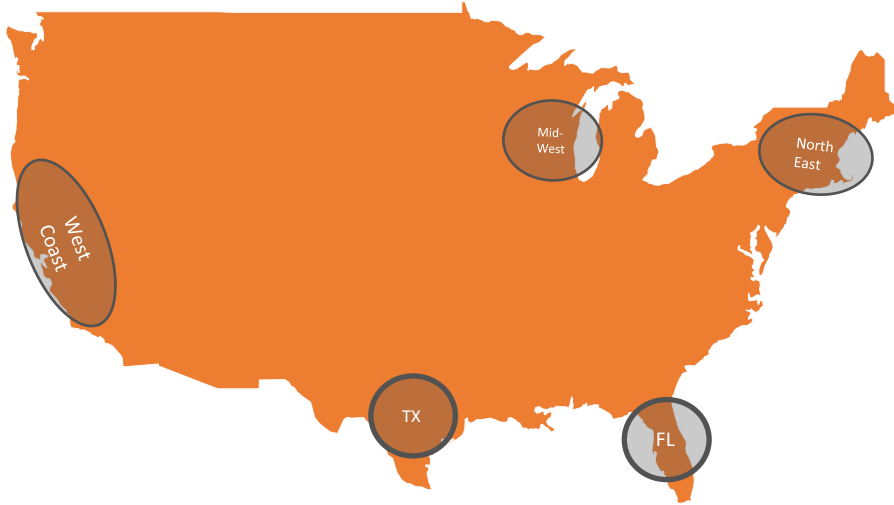
Innovation Norway

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- Overview of the US Market
- US Economic Outlook and Considerations
- Tour Operator Landscape
- Key Initiatives in Market
- Year of Climate Innovation
- 10 Key Takeaways for 'The Whale'





331MM
Population

25% of Americans live in major US cities.

\$74,580
Median HHI

Median income in 2024 – a small decline from 2021.

56%
Hold Passports

85% of Americans go on vacation but less than 10% travel abroad regularly

~\$200B
Outbound Spend

52% of this spend is put towards vacations, or leisure, travel.

#1
Long Haul Market

The US sends the most long haul travelers into the world regularly

CHARACTERISTICS



Holiday Time

Americans receive much less holiday time than other developed countries with no government mandated time off and an average of just 11 days taken per year.



Seasonality

American travel patterns are highly seasonal around school holiday with peak travel period being June-August and around the December holidays.



Destinations

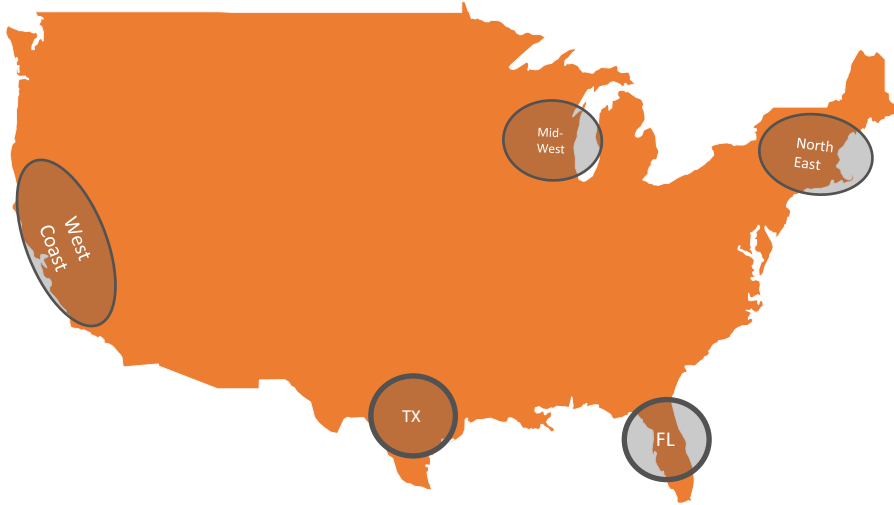
Over 89 million international trips were taken by Americans in 2023 with Europe capturing 20%

US Market Overview:

- The United States is the world's largest economy and a significant contributor to global outbound tourism.
- Robust growth in international travel was observed prior to the COVID-19 pandemic, with 83.4 million outbound trips recorded in 2019.
- Projections estimate 150 million international trips by 2025 as the world emerges from the pandemic's shadow.

Deloitte's Industry Outlook for 2024:

- Leisure travel may have tapped into all pent-up demand from peak pandemic years, signaling a new era of prioritizing travel.
- Travel maintains a consistent share of the American wallet, driven by growing enthusiasm for in-destination activities and increased interest in diverse destinations.
- Workplace flexibility is expected to buoy demand, enabling travelers to explore new destinations and experiences more easily.



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Economic Factors and Travel Behaviors:

- Potential economic downturn could lead to more conservative travel behaviors, particularly among lower-income groups.
- Higher-income groups may remain relatively insulated, driving stronger demand for higher-end travel products.
- Corporate decision-makers seek balance between conservative budgeting and strategic travel benefits.

Technology and Personalized Offerings:

- Travel providers capable of applying technology for personalized and flexible offerings stand to benefit the most in 2024.

Challenges and Opportunities Post-Pandemic:

- Leisure and hospitality sector bore significant impact during the pandemic, but travelers are gradually resuming journeys.
- Destinations offering experiences aligned with evolving preferences such as natural, socially distant, self-guided, and sustainable tourism are anticipated to resonate strongly with American travelers.

Overall Outlook:

- US economy shows signs of recovery and stability in 2024 amid ongoing uncertainty and global challenges.
- Lasting impacts of the COVID-19 pandemic continue to affect various sectors, including travel and tourism.
- Resurgence in international travel demand observed, emphasizing the importance of effective destination marketing and differentiation.

Challenges and Competitiveness in Tourism:

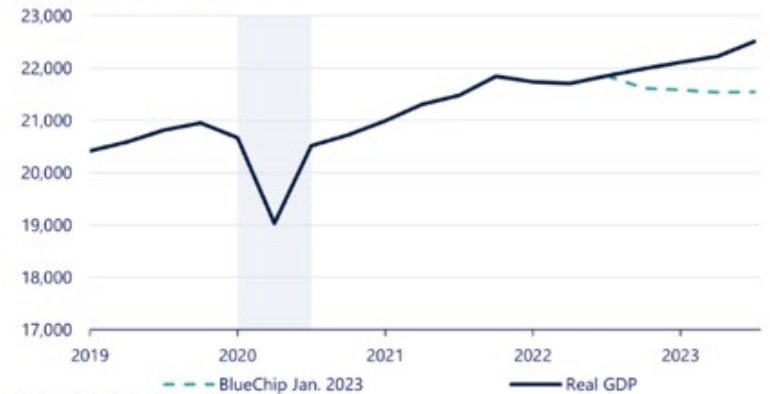
- Heightened competition among destinations underscores the need for targeted marketing campaigns and highlighting unique attractions and safety measures.
- Global economic and geopolitical uncertainties contribute to traveler and investor unease, impacting travel industry trajectory.

Strategies for Navigating Uncertainty:

- Proactive and adaptive approaches necessary for destinations to navigate challenges and capitalize on opportunities.
- Emphasis on innovative marketing, strategic partnerships, sustainability, and resilience essential for competitiveness and growth.

Figure 1. Real GDP Growth: Actual and Expected

Billions of 2017 dollars

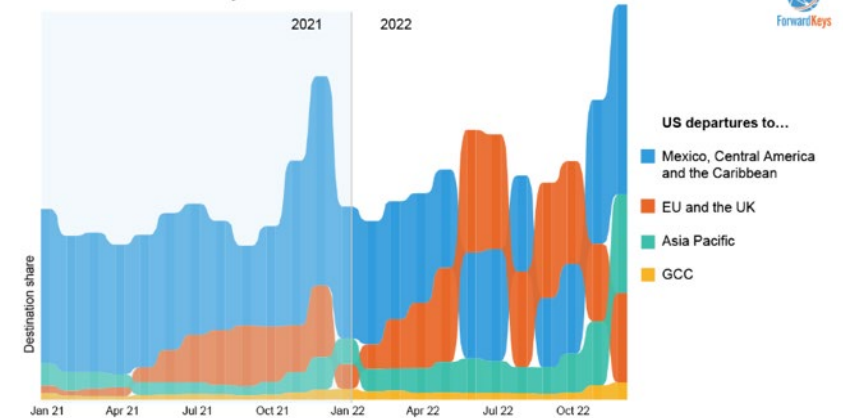


Council of Economic Advisers

Sources: Bureau of Economic Analysis; Bureau of Labor Statistics; Congressional Budget Office; CEA calculations.

Note: All values are seasonally adjusted. Shading indicates recession period.

US outbound travel: share by destination



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Source: ForwardKeys Actual Air Tickets

Demand for International Travel:

- Robust demand driven by growing global middle class, increased connectivity, and desire for authentic experiences.
- Norway well-positioned to capitalize on demand with its natural beauty, high-quality offerings, and overall reputation.

Impact of the Upcoming US Presidential Election:

- Uncertainty surrounding potential policy shifts, regulatory changes, and political priorities creates anticipation and apprehension.
- Both major candidates, Joe Biden and Donald Trump, bring challenges and uncertainties, influencing political volatility and market dynamics.
- Outcome could have profound implications for travel regulations, international relations, and market dynamics, requiring vigilance and adaptability from industry stakeholders.



TOUR OPERATOR LANDSCAPE



~20,000 Tour Operators in the USA



Approx. 200 Selling Norway Well



142 Active Member Brands
(73 of which sell Norway)



- Norwegian Travel Workshop in Norway
- Nordic Collaboration & Roadshow
- US Tour Operators Association (USTOA) - *Conference, Webinars, SIR Summit*
- Adventure Travel Trade Association (ATTA) – *Elevate, World Summit, Climate Summit*
- UN General Assembly (UNGA) & Climate Week
- Innovate for Tomorrow: Climate Action Summit
- FAM Trip Program



Norway's "Year of Climate Innovation"

The "Year of Climate Innovation" is not merely a slogan but a declaration of Norway's unwavering commitment to climate action. This year-long campaign is set to place Norway at the pinnacle of the global movement towards actionable climate initiatives. By exhibiting Norway's magnificent landscapes together with our progress in climate innovation, we aim to redefine the paradigm of luxury travel. The array of events and collaborations throughout the year, culminating in the ATTA Climate Summit, will not only boost Norway's appeal as a forward-thinking tourism destination but will also significantly contribute to the global advancement of climate-positive travel. More than a campaign, this initiative is a testament to Norway's pledge to safeguard its natural splendors by leading the evolution from sustainability to tangible climate action.

- 1. Emphasize Unique Selling Points:** Highlight innovative attractions throughout Norway, each offering distinct experiences that meld the natural environment with cultural and artistic heritage.
- 2. Focus on Sustainability and Conservation:** Utilize Norway's commitment to eco-friendliness and sustainable tourism to attract environmentally aware travelers, emphasizing responsible practices and conservation efforts across all tourist sites.
- 3. Highlight Cultural Icons:** Draw on the rich tapestry of Norwegian culture, using local legends, art, and traditions to weave a compelling story that resonates with international audiences, fostering curiosity and engagement.
- 4. Promote Unique Locations:** Market Norway's diverse landscapes as premier destinations for wildlife and nature enthusiasts, underscoring the pristine beauty and unique wildlife encounters available countrywide.
- 5. Showcase Architectural Design:** Feature Norway's architectural wonders, which are harmoniously integrated with natural surroundings, to capture the imagination of tourists and serve as iconic symbols of Norwegian innovation.
- 6. Engage with Travel Trade and Influencers:** Form strategic alliances with travel professionals and influencers globally, especially those with interests in sustainable and cultural travel, to expand Norway's tourism reach.
- 7. Customize Marketing Messaging:** Adapt marketing strategies to resonate with international markets, highlighting immersive experiences, stunning design, and the fusion of science, art, and nature found in Norway's attractions.
- 8. Create Compelling Content:** Produce captivating multimedia content that brings to life the experience of Norway's tourism offerings, emphasizing their educational and entertainment value for a diverse audience.
- 9. Attend International Travel and Tourism Events:** Represent Norway at global industry events to introduce its diverse tourism products to potential industry partners and travelers, leveraging these platforms for networking and brand building.
- 10. Provide Clear Information on Developments:** Maintain transparency about tourism projects and initiatives by sharing consistent updates and progress, reinforcing trust and excitement among potential visitors and investors.

19 companies from the United States and Canada

NTW Veterans**NTW Newcomers****Niche Tour Operators****Arts & Leisure****Large Tour Operators**

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