

Insights on the US tourism market for the Nordic destinations

Compilation of results based on available reports





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Delivered: March 5, 2020 *(with last revisions May 15, 2020)*
Ulf Sonntag, NIT



Introduction and background of this study

- The Nordic Marketing Group has commissioned the Institute for Tourism Research in Northern Europe (NIT) to compile a report about the US travel market based on available insights that are relevant for the eight Nordic destinations Åland Islands, Denmark, Faroe Islands, Finland, Greenland, Iceland, Norway and Sweden.
- By desk research, around 50 different reports and data sources were accessed, reviewed and their insights considered in this document. They were either provided by the eight Nordic DMOs (compiled and provided by Visit Greenland) or directly accessed by NIT.
- We have used 10+ sources about the US in general, 15+ general reports about the US travel market, 13 country specific reports by the Nordic DMOs and data by the 8 Nordic statistical offices.
- Wherever possible the raw data of the studies was accessed and analysed for this report; if not possible, screenshots of the relevant information are displayed.
- The main idea was to show data and insights that are as relevant as possible, as up-to-date as possible and not older than 5 years.
- This project was managed by Idrissia E. Y. Thestrup of Visit Greenland on behalf of the Nordic Marketing Group and by Ulf Sonntag on behalf of NIT.

COVID-19 Disclaimer:

The work for this report was done between January 20 and March 5, 2020, based on market research that had been conducted in the years 2016 to 2019, i.e. before the COVID-19 virus had had any greater effect on the travel industry.

To understand the impact of the COVID-19 virus on the US travel market, new insights/research is needed in the time after the lockdown has been removed.

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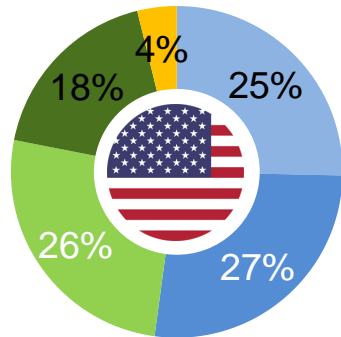
General aspects of the US market

1. The US is a huge market, with a growing population and economy.
2. Around 1/3 of the population is holding a passport, with an upward trend.
3. Wealth and population is unevenly distributed throughout the country.
4. Airports with direct flights to the Nordic countries are unevenly distributed.
5. Under this perspective, the East Coast (between Boston and Washington) and California seem to be best suited if you like to focus marketing activities, followed by the Chicago area and Florida.
6. They have one of the lowest number of holidays in a year in the world.
7. We observe a strong US\$ against all the Nordic currencies; this makes it more affordable for Americans to travel to the Nordic countries.
8. They use a variety of media: TV, radio, online, print.
9. They are quite aware and concerned about climate change and sustainable travel.

USA: Geography and demography



329 million
2019 USA
population



- Aged 0-19
- Aged 20-39
- Aged 40-59
- Aged 60-79
- Aged 80+



138 million
US passports
2018

- With a population of around 329 million, the USA is the third most populated country in the world, behind China and India. It is the only industrialized nation in which large population increases are projected (2030: 350 million).
- The median age is 38 years old, expected to increase to 40 years old by 2030 and 42 years old by 2050.
- By total area, the USA is the 3rd largest country in the world, comprising of 50 states and a federal district covering 6 time zones.
- The urban population represents 82% of the total population. The major urban areas comprised of New York, Los Angeles, Chicago, Houston, Miami and Washington DC.
- English is the first language of 79% of Americans while Spanish is the main language for 13% of households.
- In 2018, 138 million valid American passports were in circulation which equals about 42% of American population. The number of valid US passports in circulation has increased, with an annual average growth over the past decade of 4%. This implies that more and more Americans are able to travel abroad.

Visit Britain (2019): Oxford Economics, CIA World Factbook 2019, UN World Population Prospects 2019; GlobalData Iceland report (2018)

USA: Economy

Indicator	2017	2018	2019	2020*
Real GDP (yoy)	2.2%	2.9%	2.3%	1.8%
Consumer spending (yoy)	2.5%	2.6%	2.2%	2.0%
Unemployment rate	4.4%	3.9%	3.7%	3.5%

Measure	2018
GDP per capita PPP (US\$)	59,335
Annual average GDP growth over past decade (%)	1.8
Annual GDP growth in 2018 (%)	2.1

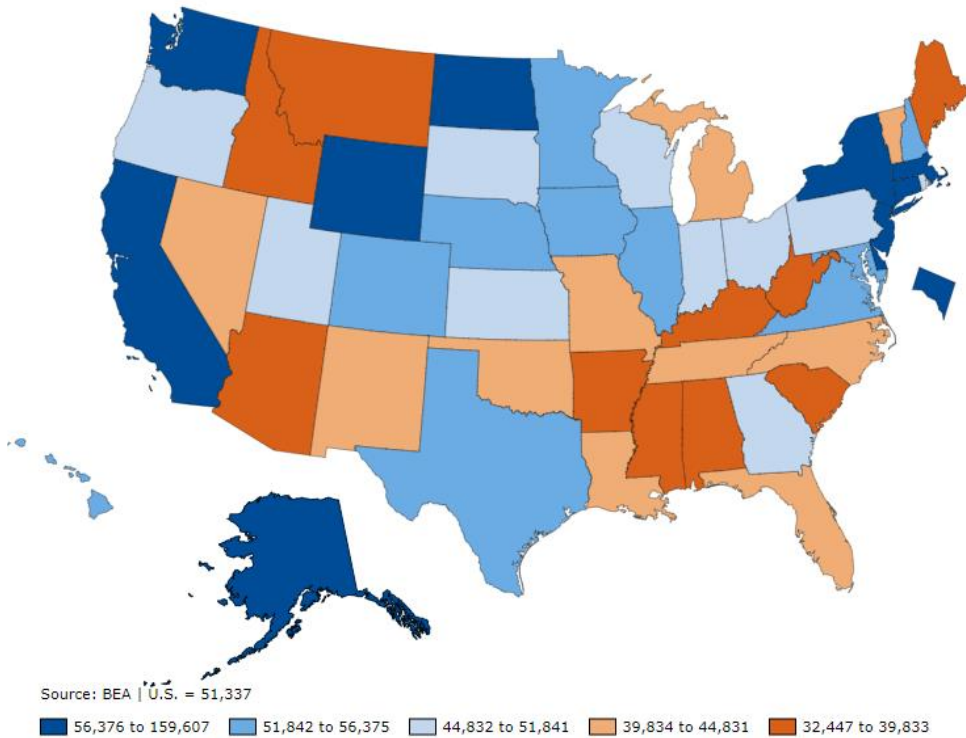
* Pre-COVID-19 forecast. Recent projections (End of April 2020) by the IMF project the real GDP (yoy) at -5.9% for 2020 and at +4.7% for 2021.

- The economy of the US is a highly developed mixed economy. It is the world's largest economy by nominal GDP and the second-largest by purchasing power parity (PPP) behind China.
- Many Americans enjoy a high standard of living with GDP per capita in purchasing power parity terms of over US\$59,000, forecasted to increase in the years to come. USA has the world's seventh-highest per capita GDP (nominal) and the eleventh-highest per capita GDP (PPP).
- The American economy is growing and the forecast for the coming years is also positive. Consumer confidence is strong, buoyed by employment growth, and consumer spending is rising. There is uncertainty though surrounding a lot of policy issues driven by US's 45th President, Donald Trump.
- Capgemini's World Wealth Report suggests that the USA has by far the highest number of High Net Worth Individuals (HNWI), almost 5.3 million in 2017; these are defined as people with investible assets worth more than \$1 trillion. This group grew by 10% compared to the previous year.

Visit Britain (2019): Oxford Economics, CIA World Factbook 2018, Capgemini World Wealth Report 2018; IMF 2020

USA: GDP and population in the different states

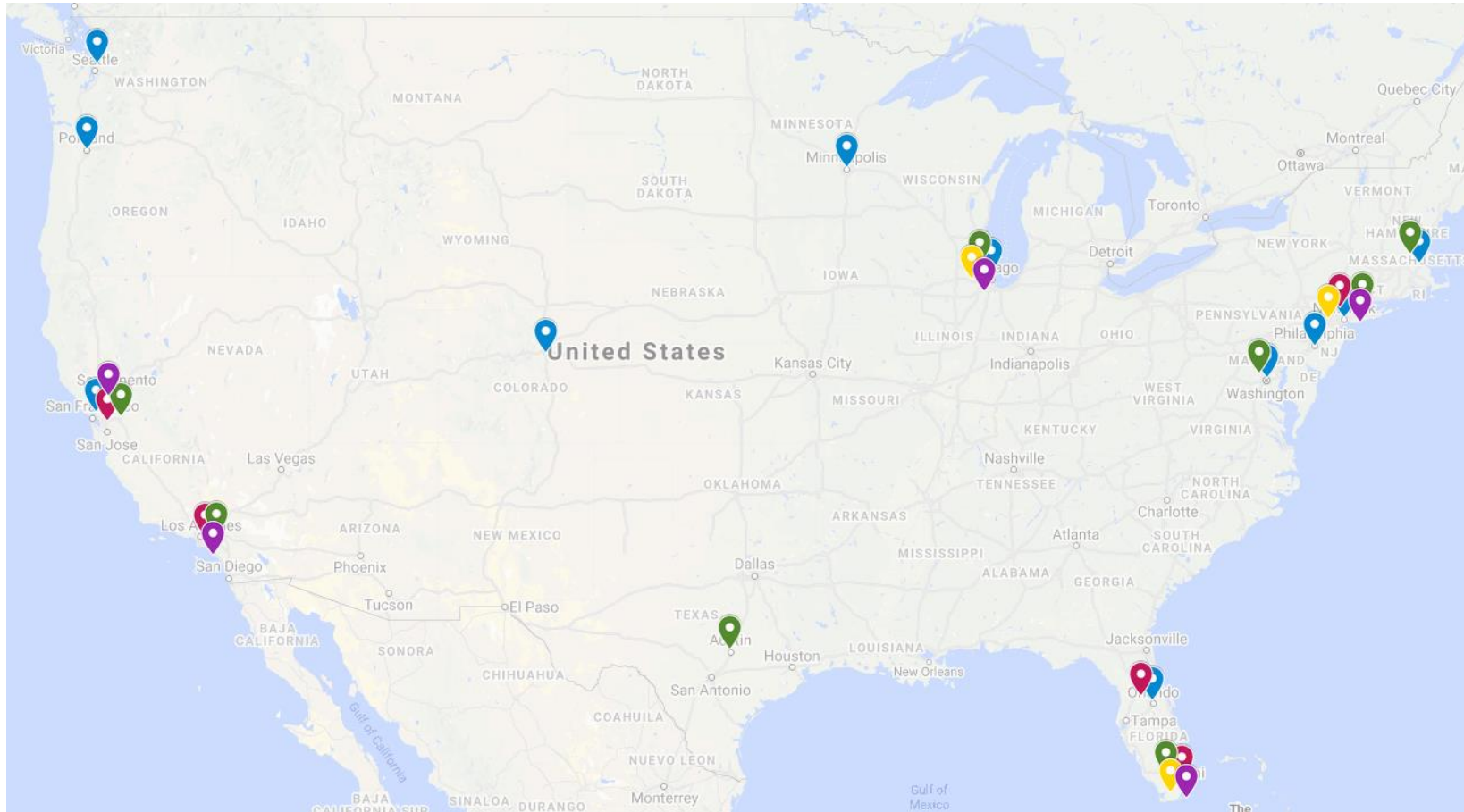
Per capita real GDP by state (chained 2009 dollars) - All industry total, 2017



- Consider that the USA are a very big country.
- It might be worthwhile to think if it makes sense to not target the whole country but concentrate on some states only.
- This map shows the GDP per capita in the different states and the most populated states in the US.

European Commission, EASME, ETC (August 2018)

USA: Direct flights to the Nordic countries (Feb. 2020)

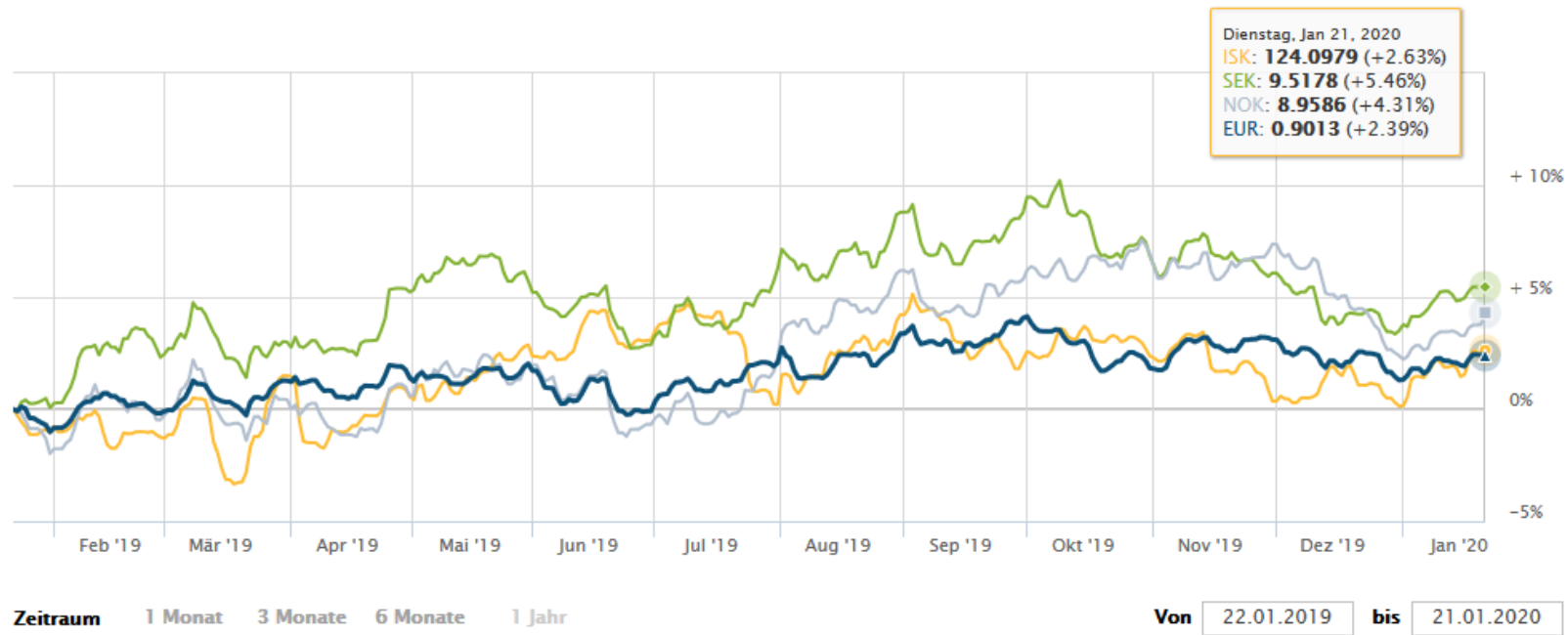


- To **KEF** from Anchorage, Seattle, Portland, San Francisco, Denver, Minneapolis, Chicago, Boston, Philadelphia, Washington, Orlando (with Icelandair) and New York (with Icelandair, United and Delta)
- To **OSL** from San Francisco, Los Angeles, New York, Orlando (with Norwegian) and New York, Miami (with SAS)
- To **CPH** from San Francisco, Los Angeles, Austin, Chicago, Boston, Washington, Miami (with SAS) and New York (with SAS and Delta)
- To **ARN** from Chicago and Miami (with SAS), New York (with SAS and United)
- To **HEL** from San Francisco, Los Angeles, Chicago, New York, Miami (with Finnair)

Map: Own creation with Google Maps, data from www.flightradar24.com/data/airports/

USA: Currency exchange rates (01/2019-01/2020)

Währung in meinem Besitz USD Gewünschte Währungen ISK SEK NOK EUR
Abkürzungsverzeichnis



- Here we see the development of currency exchange rates of the US\$ against the Nordic currencies from January 2019 to January 2020. *Note: DKK is fixed with the EUR.*
- We observe a strong US\$ against all the Nordic currencies.
- This makes it more affordable for Americans to travel to the Nordic countries.

USA: Paid vacation and national holidays 2020

National Holidays 2020

Date	Federal holiday	Day of the week
January 1, 2020	New Year's Day	Wednesday
January 20, 2020	Martin Luther King Day	Monday
February 17, 2020	Presidents' Day	Monday
May 25, 2020	Memorial Day	Monday
July 3, 2020	Independence Day (observed)	Friday
July 4, 2020	Independence Day	Saturday
September 7, 2020	Labor Day	Monday
October 12, 2020	Columbus Day	Monday
November 11, 2020	Veterans Day	Wednesday
November 26, 2020	Thanksgiving Day	Thursday
December 25, 2020	Christmas Day	Friday

banksinfo.us

- The US is one of the only countries globally not to have statutory paid vacation.
- Consequently, US citizens have one of the lowest number of holidays in a year in the world. They have an average of 15 paid vacation days a year.
- They live in a workaholic culture. This, combined with poor labor laws, which make it much easier to be fired, make them take fewer days-off, afraid they might be laid off or that they get behind on their work. On average they do not use three of their paid vacation days.
- August and September are the most common holiday months in the United States.
- One important point is that Americans usually travel several times per years but shorter periods, and often associated with one national holiday so that they do not have to take more than necessary their valuable holiday days.

It is also recommended to check dates for major Christian & Jewish Holidays as this can affect attendance at events and/or meetings

Visit Sweden 2019, GlobalData 2018

USA: Reaching the consumer



Broadcast media

- TV (Live + DVR) reached 213 million users in Q3 2018 each week.
- On an average day in Q3 2018, Americans aged 18 and over watched TV for about four hours and fourteen minutes (live and DVR). Younger Americans (18 to 34 years) spent less time watching TV than those aged 50 and over, around less than two hours vs six+ hours per day respectively.



Radio

- Radio reached 227 million users in Q3 2018 each week.
- Americans listen to the radio for an average of 1 hour and 53 minutes each day.



Magazines

- AARP The Magazine is the world's largest-circulation magazine, with more than 38 million readers, targeting the 50+ audience. Other US magazines with a high circulation are People, Better Homes And Gardens, AARP Bulletin, Woman's Day, Game Informer Magazine, Good Housekeeping, and Family Circle

Source: Nielsen, ComScore Mobile Metrix, Alliance for Audited Media, Pew Research, Statista 2018



Newspapers

- 37.8 million Americans read at least one daily newspaper. Readers of newspapers are relatively well educated and have a relatively high income. The digital distribution of newspapers has attracted more younger readers with 1 in 5 US adults often getting their news via Social media vs newspapers (16%)
- Daily newspapers with the highest number of circulations in 2018 were The New York Times, The Washington Post, USA Today, Houston Chronicle, and The Wall Street Journal. Newspaper circulation in print continues to decrease year on year as readers shift towards digital editions



Online media

- The growth in digital media usage time in the past few years is driven by smartphone usage. Mobile represented about two third of digital media time spent in 2018.
- The apps with the highest number of US visitors (October 2018) were Facebook, Facebook Messenger, Instagram, Twitter, and Google Hangouts
- The social networks with the highest number of monthly users in the US are Facebook (204.9 million), Instagram (154.8 million) and Twitter (110 million).

- Here we find general information about media behavior of Americans, as compiled by Visit Britain in 2019:
- Reviews play an important role for American travelers when choosing their destination. Other influential sources for destination choice are friends, family and colleagues followed by information from search engines.
- Younger Americans (18 to 34 years) are more likely to consume different types of content across a variety of devices.
- US adults spent ten hours and 30 minutes per day connected to media in 2018 with more time spent on apps or websites on smartphones and multimedia devices year on year. Despite this development, the highest proportion of media time is still spent watching TV.

Visit Britain (2019): Nielsen, ComScore Mobile Metrix, Alliance for Audited Media, Pew Research, Statista 2018

USA: Sustainability & Climate Change

69%*
Humans and human activity are the main cause of climate change

65%*
Own behavior can make a difference in tackling climate change

31%**
Are interested in going on an “ecological trip” in the future

24%***
Have been flying less in the last 12 months because of “flight shame”

11%**
Ecological footprint of the trip plays a vital role in choosing a destination

- Here you can see a few selected results of different 2019 studies regarding the perception of climate change in the US population as well as opinions regarding sustainable travel.
- We can see that a majority of 70% acknowledged human responsibility of climate change and almost as many believe that own behavior can make a difference.
- Around 30% are interested in travelling on ecological trips.
- 24% state that they have been using the plane less because of ecological reasons.
- 11% say that they really consider the ecological footprint of a trip when planning.

* European Investment Bank (EIB, 2019): <https://www.eib.org/en/surveys/2nd-citizen-survey/climate-change-impact.htm>;

** IPSOS/EUROP ASSISTANCE SURVEY (2019): <https://www.ipsos.com/sites/default/files/ct/publication/documents/2019-06/2019-holiday-barometer-ipsos-europ-assistance.pdf>;

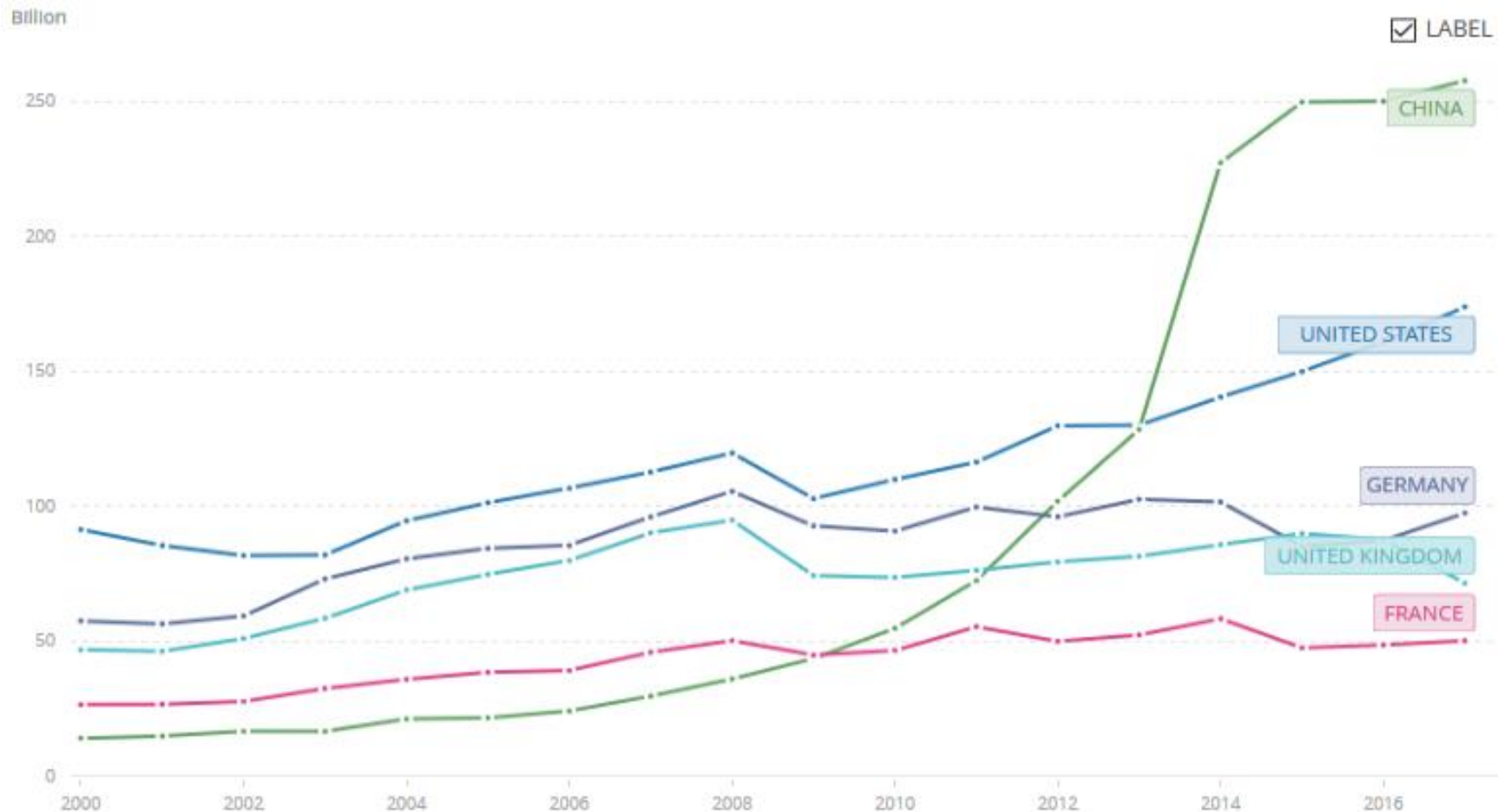
*** Union Bank of Switzerland (2019): Survey on flight shame: <https://www.bbc.com/news/business-49890057>

US travel behavior

Focus on trips to Europe

1. The US are one of the biggest markets for international tourism.
2. Of 100 million international trips in total, 19 million lead to Europe, with a growing trend.
3. The main destinations in Europe are UK and France, but the Nordics together account for 11% of all US trips to Europe – that's almost the level of Spain!
4. Activity: First of all classic sightseeing etc., but more and more like to immerse deeper into the life at the destination.
5. Curiosity and genuine interest in the culture and nature seems to be a big driver of why to visit Europe. There seems to be a good time to mix the main sights with interesting experiences off the beaten track.
6. Planning: On average deciding 4 months in advance, relying on personal recommendations, looking for good prices and trustworthy brands. Online is most important: For information destination websites are leading in front of airlines, accommodation and sights. For booking, airlines are leading in front of OTAs. Only few buy packages.

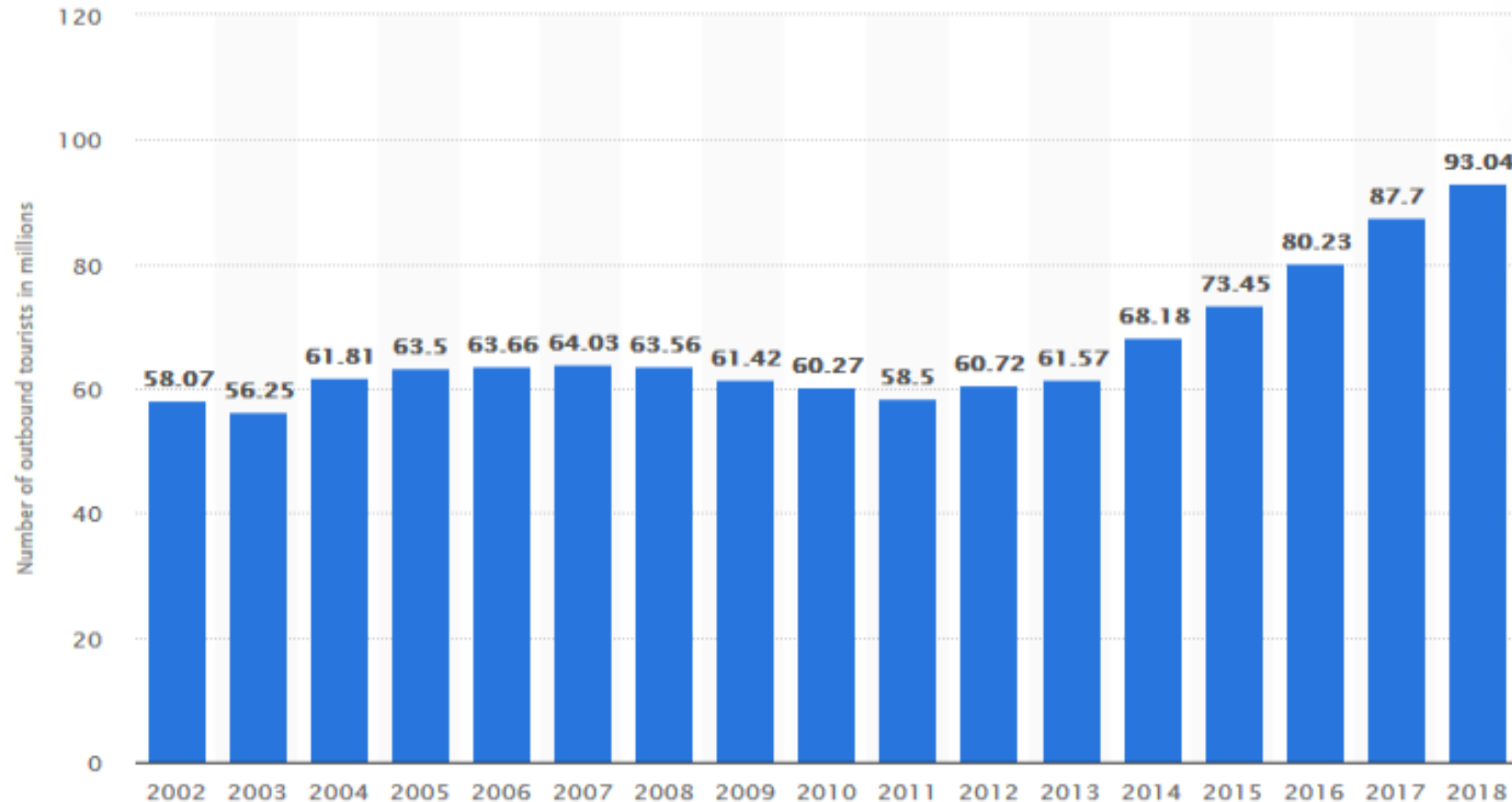
International tourism expenditure (in billion US\$)



- Despite the dominance of domestic travel in the US, it is due to the sheer size of the population and its high level of development that the US is one of biggest outbound travel markets in the world.
- With an intentional tourism expenditure of 174 billion US\$ in 2017, it comes second only after China, according to UNWTO.
- It has increased dramatically since the year 2000 when it was 91 billion US\$.
- *Note on the China figures: Trips to Hongkong and Macao are considered international travel and account for 64% of all international trips from China!*

World Bank Data Base (2020): UNWTO data

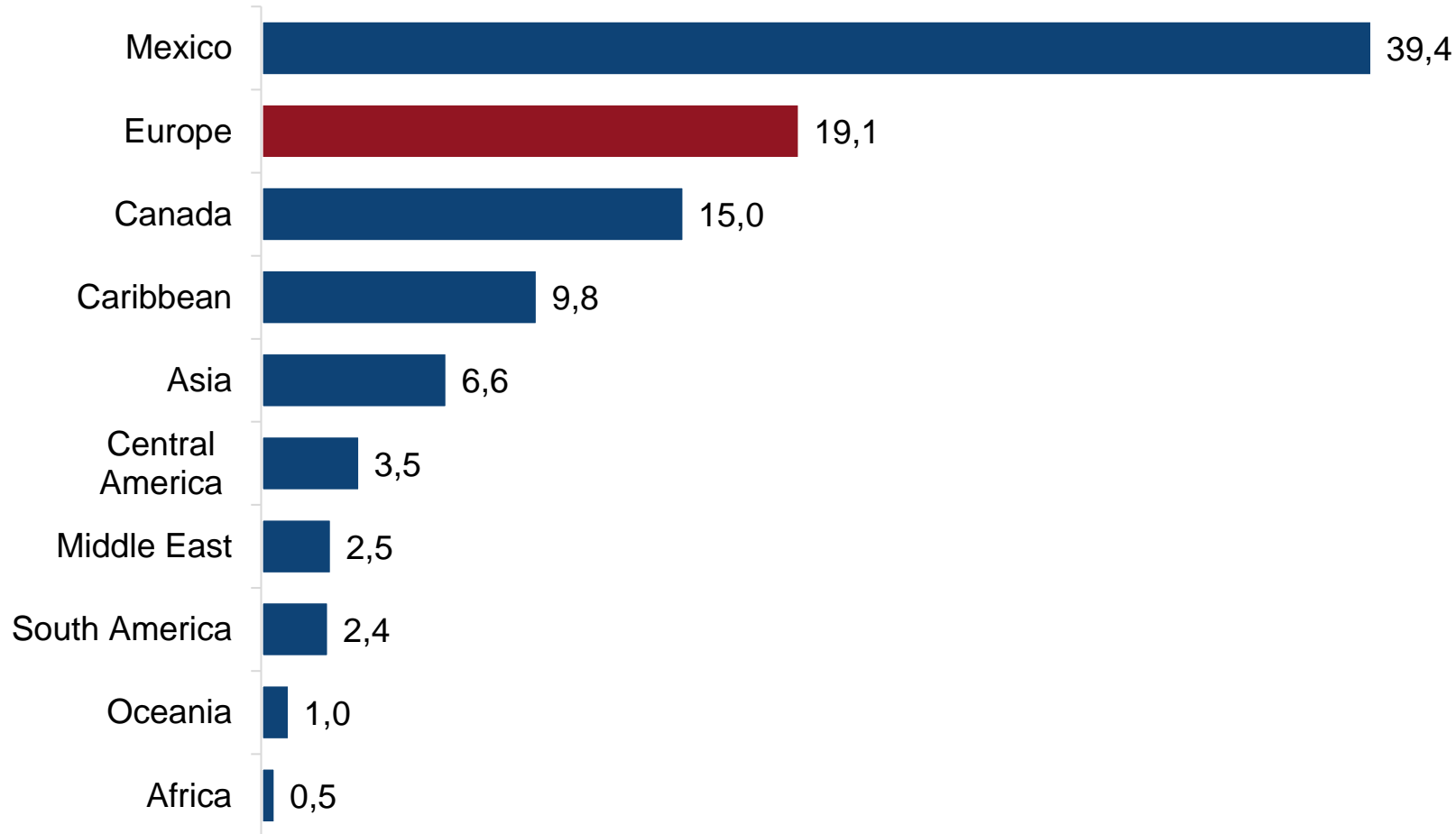
Number of outbound departures from the USA (in million)



- Looking at the number of trips, we see for 2018 2.2 billion domestic trips and 93 million international trips (= outbound departures).
- For 2019 the number of international trips is estimated to reach 100 million.
- The majority of Americans still travel inside the country, but international travel is growing year by year. An increase in the number of low-cost airlines, a strong dollar, a decrease in oil prices, and a boost in the economy explain the growth in international departures. (GlobalData)

Statista (2020): NTTO data; GlobalData 2018

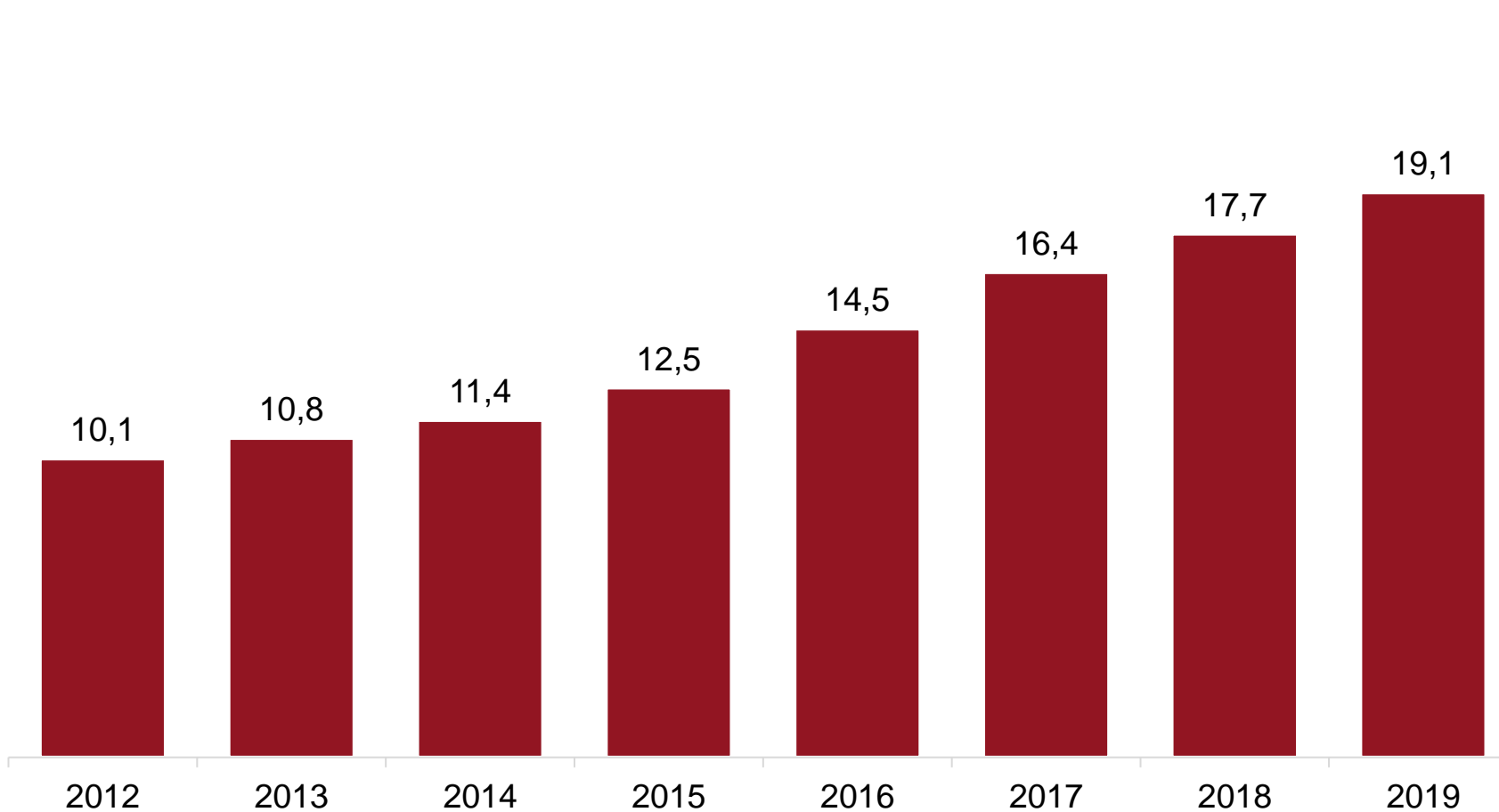
Destinations of US international travel 2019 (in million)



- In 2019, around 20% of all international trips from the US went to Europe.
- This equals 19 million trips.
- Europe is the second most visited destination after Mexico and before Canada and the Caribbean.

NTTO 2020: https://travel.trade.gov/outreachpages/outbound.general_information.outbound_overview.asp

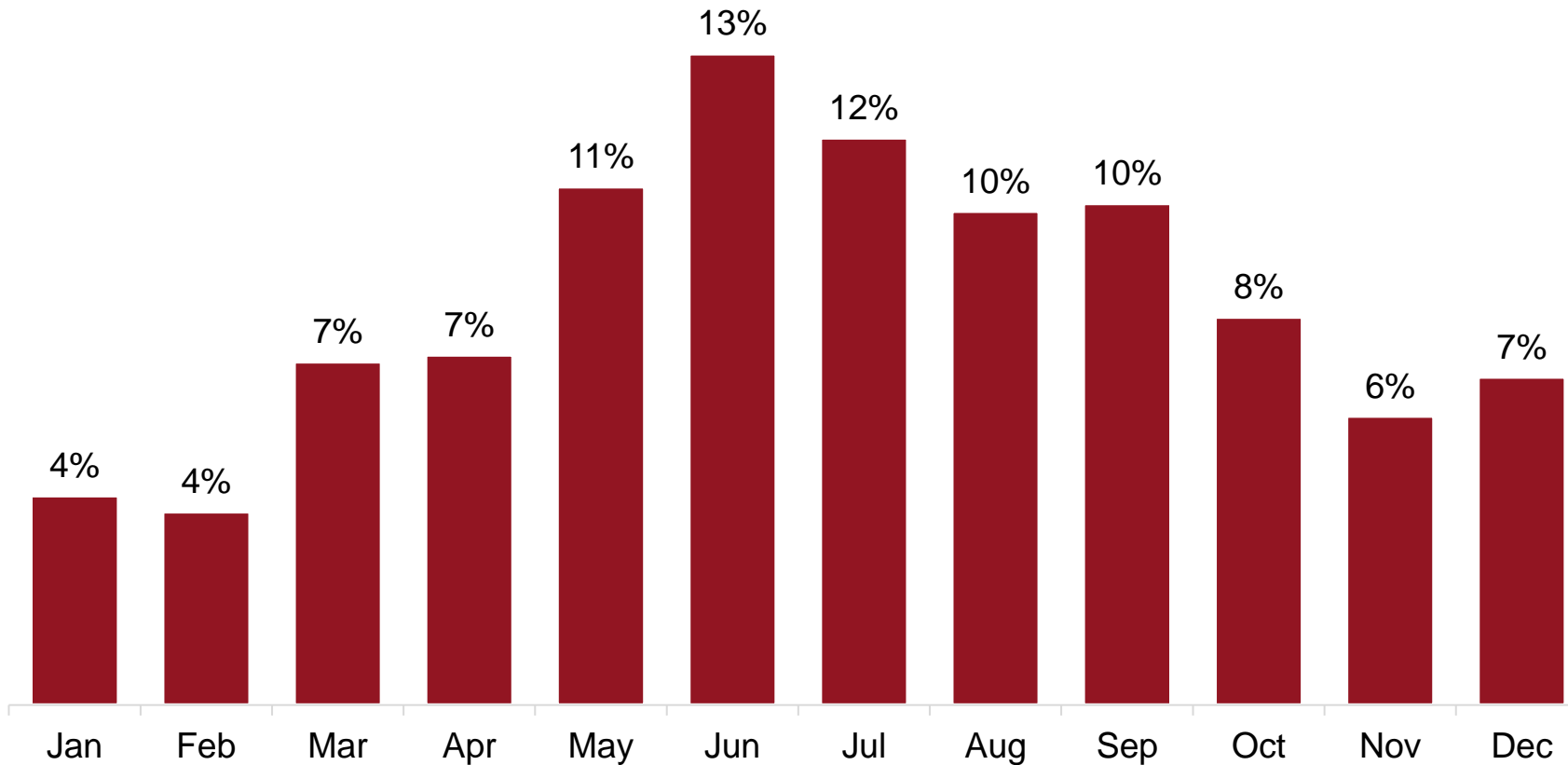
US trips to Europe 2012 to 2019 (in million)



- There has been solid growth of outbound travel from US to Europe in the last decade.
- The number of trips from the US to Europe has almost doubled since 2012, from 10 million to 19 million.

NTTO 2020: https://travel.trade.gov/outreachpages/outbound.general_information.outbound_overview.asp

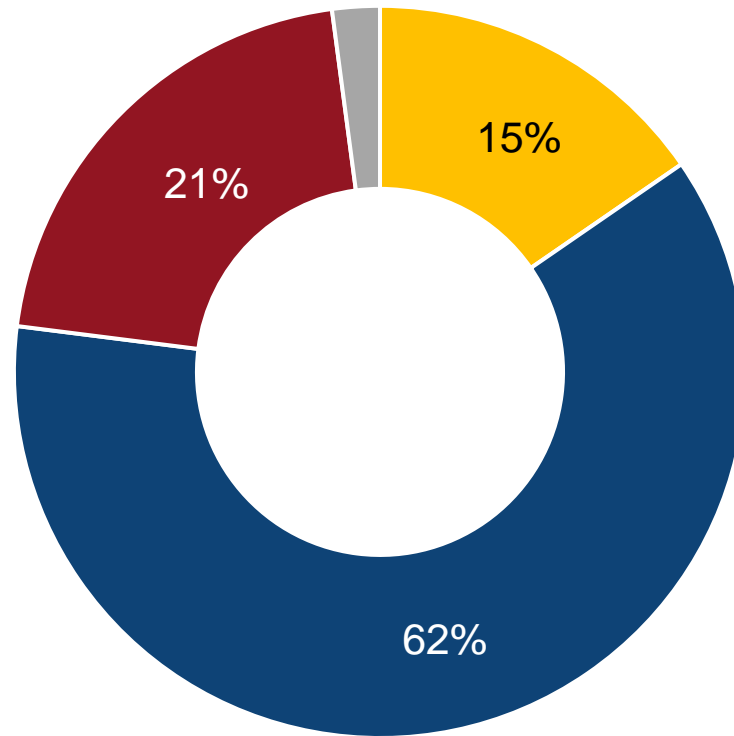
Seasonality of US trips to Europe 2019



- When looking at the months of the US trips to Europe, you can see a certain preference for the summer season.
- The months May until September each have a share of 10% and more of the annual trips.
- Nevertheless, the gap between summer and winter months is not that big.
- March, April, October, November, December have a share of 6% to 8% each.

NTTO 2020: https://travel.trade.gov/outreachpages/outbound.general_information.outbound_overview.asp

USA: Purpose of trips to Europe 2017

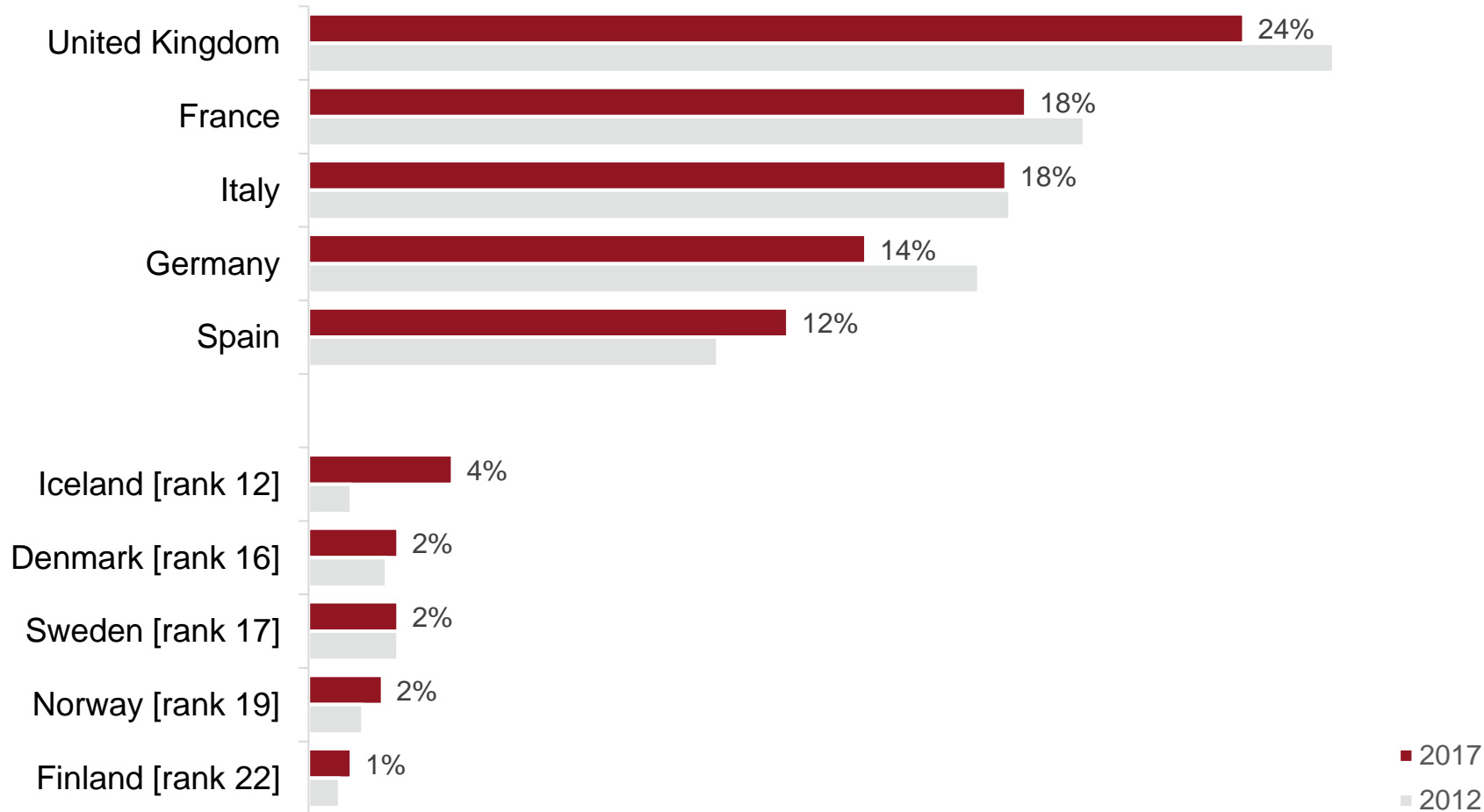


■ Business/Education ■ Leisure ■ VFR ■ Other

- The survey of the NTTO that we are using in this chapter, covers all trips from the US to Europe 2017.
- Looking at the purpose of trip we see mainly leisure/holidays (62%), in front of VFR (21%) and business/education (15%).
- Share of holidays grew from 50% in 2012 to 62% in 2017.

NTTO 2018: https://travel.trade.gov/outreachpages/outbound.general_information.outbound_overview.asp

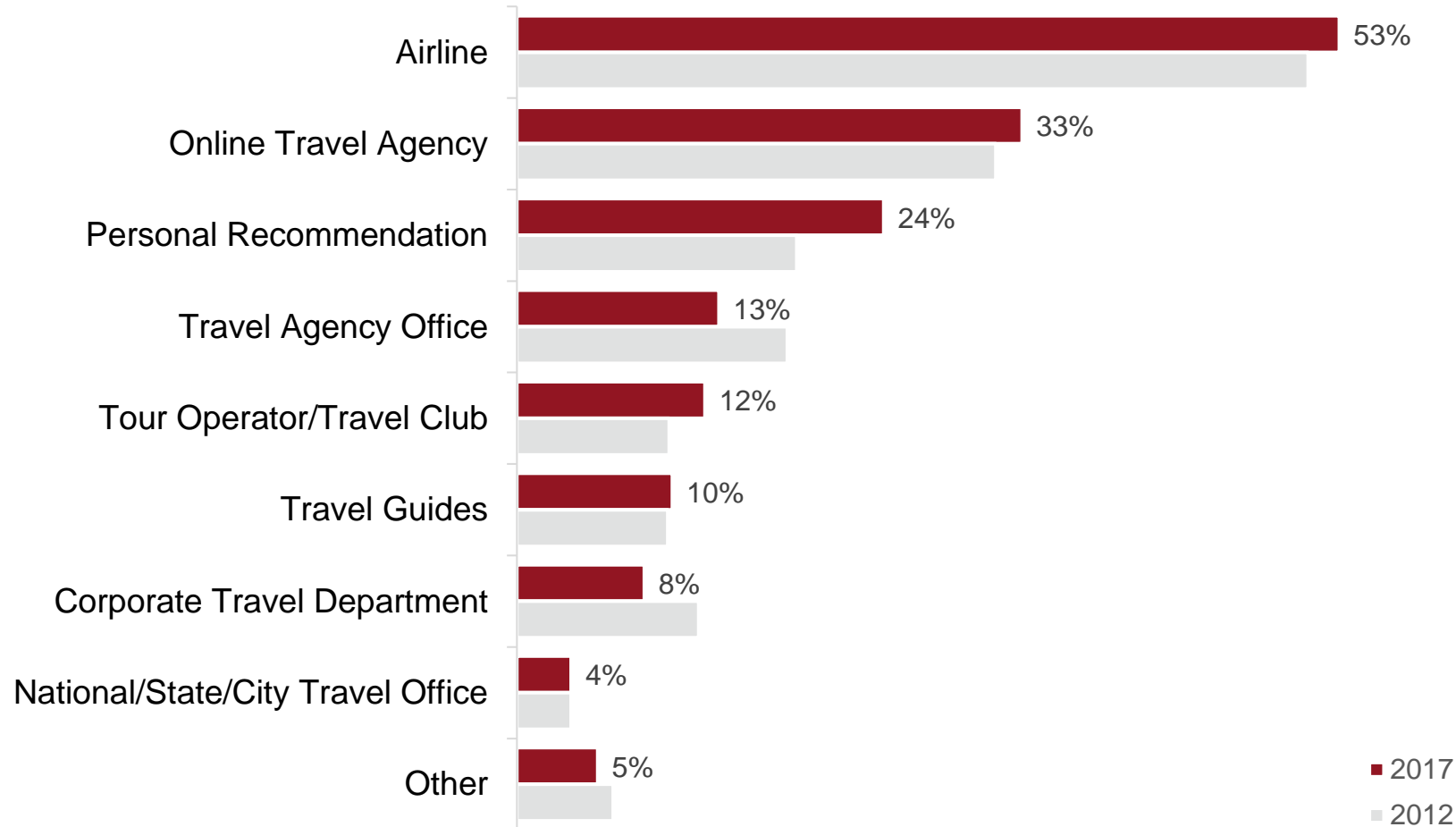
USA: Destinations in Europe 2017 (Top5 and Nordics)



- In the destination ranking of US trips to Europe, UK is leading in front of France, Italy, Germany and Spain.
- Compared with 2012, UK, France and Germany have slightly lost markets shares.
- With the Nordic destinations, Iceland is leading, with a market share of 4% of all US trips to Europe on rank 12.
- Denmark, Sweden and Norway follow, almost on the same level, Finland is the last of the Nordic destinations that are covered in the survey.
- All Nordic destinations have seen a growth of market share since 2012. Most impressive is the growth of Iceland.

NTTO 2018: https://travel.trade.gov/outreachpages/outbound.general_information.outbound_overview.asp

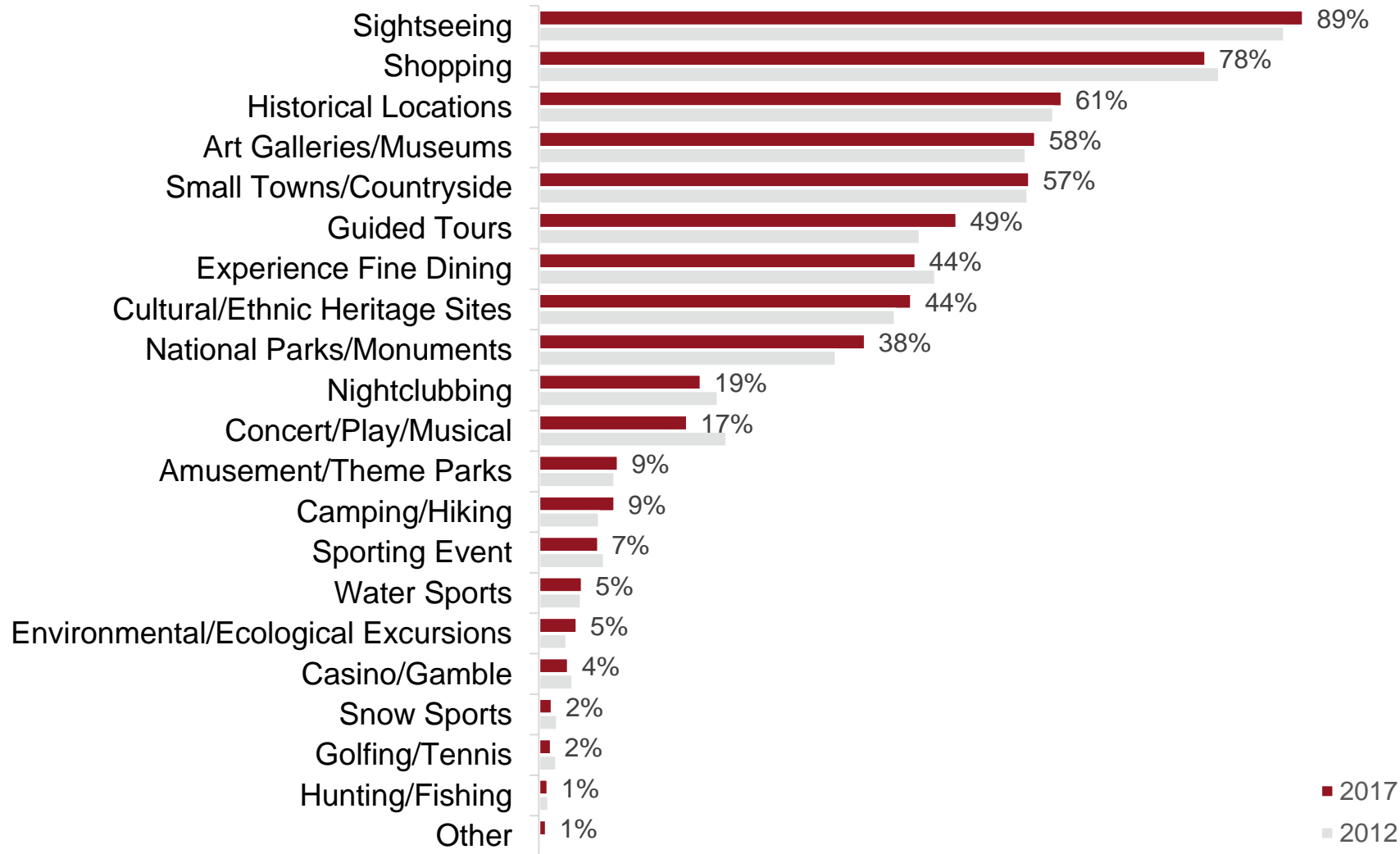
USA: Planning sources used for trips to Europe 2017



- Looking at the trip planning sources of all outbound travelers, we see that airlines are leading the tableau in front of OTAs and personal recommendations.
- Compared to 2012, the results of this question are remarkably stable – which might be an indicator that big shift between offline and online sources as already happened before 2012.
- It is interesting that the aspect of “personal recommendation” has increased a lot since 2012.

NTTO 2018: https://travel.trade.gov/outreachpages/outbound.general_information.outbound_overview.asp

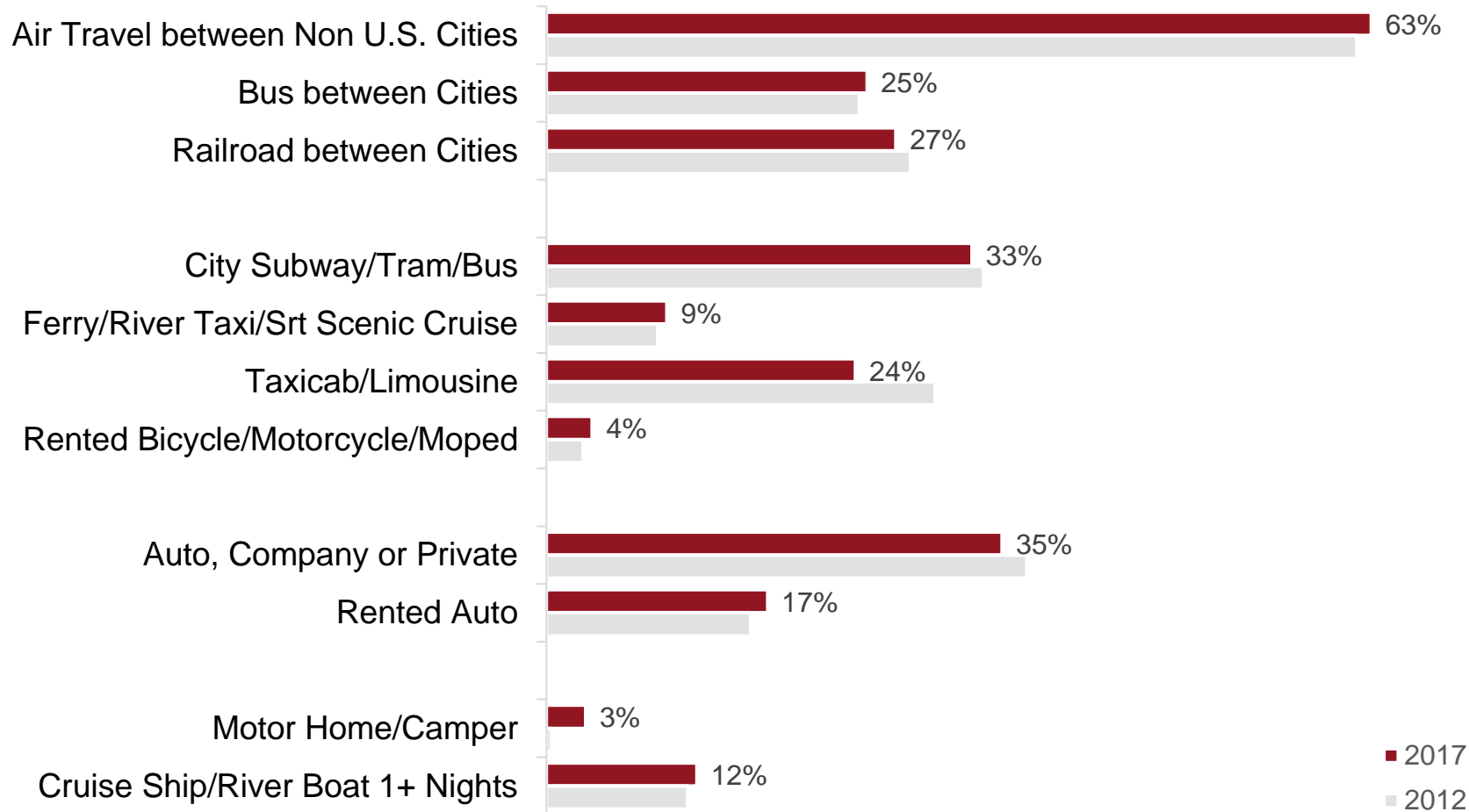
USA: Activities while travelling in Europe 2017



- The main activities that are being undertaken during almost every trip to Europe are sightseeing and shopping.
- These are followed by historic locations, museums, small towns/countryside (with shares of around 60%).
- Also important, and specially interesting for the Nordic destinations are guided tours, fine dining, heritage, national parks (with shares of 40% and above).
- The ranking of activities is very stable compared with 2012.

NTTO 2018:
https://travel.trade.gov/outreachpages/outbound_general_information_outbound_overview.asp

USA: Means of transport during trips to Europe 2017



- To get around during their trips in Europe, the US travelers use all sorts of transport.
- First of all, this shows that they really move around in Europe a lot, seeing more than one destination.
- Secondly, it seems that they do not have any fixed preferences or fears/objections. They seem to use the transport that fits best with their purpose and itinerary.

NTTO 2018: https://travel.trade.gov/outreachpages/outbound.general_information.outbound_overview.asp

USA: Additional information about trips to Europe 2017

Advance Trip
Decision:
128 days
(average)

13% used
Prepaid
Packages

Length of Stay
Outside the
US:
15.5 nights
(average)

International
Trips Past 12
months:
2.5 trips
(average)

33% visited
more than one
country

- Here comes additional information about the US trips to Europe 2017.
- In the NTTO report they were just presented as displayed here, there were no more details available.
- These patterns help a little to understand when the decision for a trip to Europe is taken, how long the trips take, about the (small) role of package trips and the (quite big) likelihood of visiting more than one European country in one trip.

NTTO 2018: https://travel.trade.gov/outreachpages/outbound.general_information.outbound_overview.asp

USA: Additional information about trips to Europe 2017

72%
stayed in
hotels/motels

Average size
of travel party:
1.7 travelers

44% male vs.
56% female
travelers

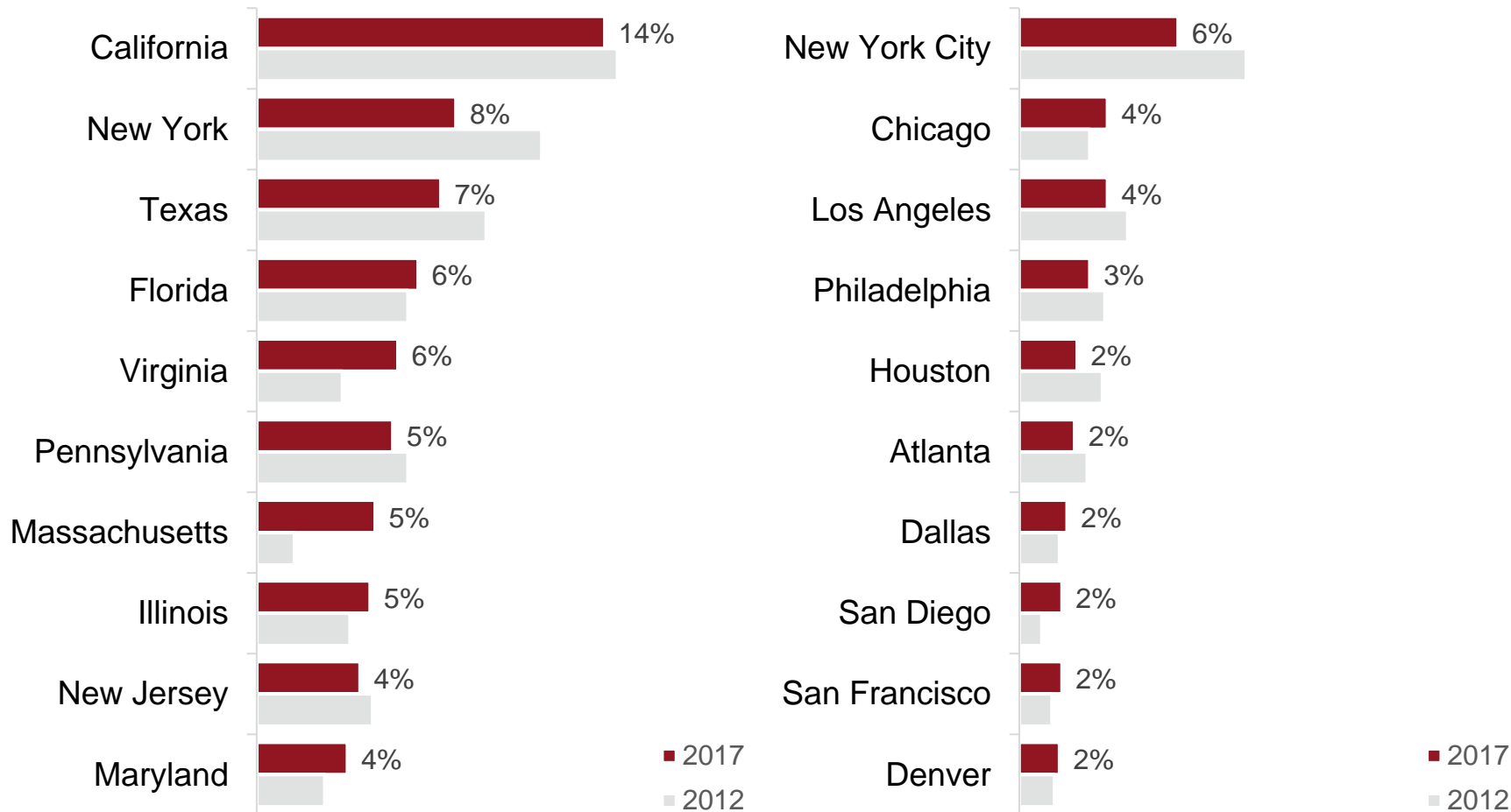
Mean annual
household
income:
140,000 US\$

Mean age of
travelers:
47 years old

- Here comes additional information about the US trips to Europe 2017 and the travelers.
- In the NTTO report they were just presented as displayed here, there were no more details available.
- These patterns help a little to understand when how the US Americans travelled in Europe (mainly hotels and on average with 1.7 persons).
- It also gives some hints who these travelers are (females slightly dominating, middle age, quite well off).

NTTO 2018: https://travel.trade.gov/outreachpages/outbound.general_information.outbound_overview.asp

USA: Residency of Europe travelers 2017



- Here we see the home states and cities of the US travelers to Europe.
- In 2017, 63% of the travelers came from the top 10 states (2012: 63%).
- We see that California is the biggest originating state for travelers to Europe, followed by New York, Florida and Texas.
- In 2017, 28% of the travelers came from the top 10 cities (2012: 31%).
- Here, we see New York City in front of Chicago and Los Angeles.

NTTO 2018: https://travel.trade.gov/outreachpages/outbound.general_information.outbound_overview.asp

USA: Competitiveness of Europe by the US traveler

POST-VISIT QUALITY RATING FROM US TRAVELERS	COMPETITIVE GAPS EUROPE vs GLOBAL NORMS
<i>Museum and historical sites</i>	104
<i>Architecture</i>	91
<i>Cleanliness outside cities</i>	90
<i>Theatre, cultural shows</i>	66
<i>Landscape beauty</i>	64
<i>Cultural diversity</i>	47
<i>Cleanliness in cities</i>	47
<i>Road infrastructure</i>	46
<i>Safety feeling</i>	45
<i>Guided excursions</i>	45
...	...
<i>Taxi service</i>	-20
<i>Restaurant hospitality</i>	-26
<i>Cost to destination</i>	-28
<i>Hospitality in public transport</i>	-29
<i>Price of leisure activities</i>	-41
<i>Accommodation value for money</i>	-56
<i>Public transport price</i>	-57
<i>Shops' opening days/hours</i>	-63
<i>Food value for money</i>	-72
<i>Shopping value for money</i>	-75

TOP 10 criteria US Travellers rate above global competition

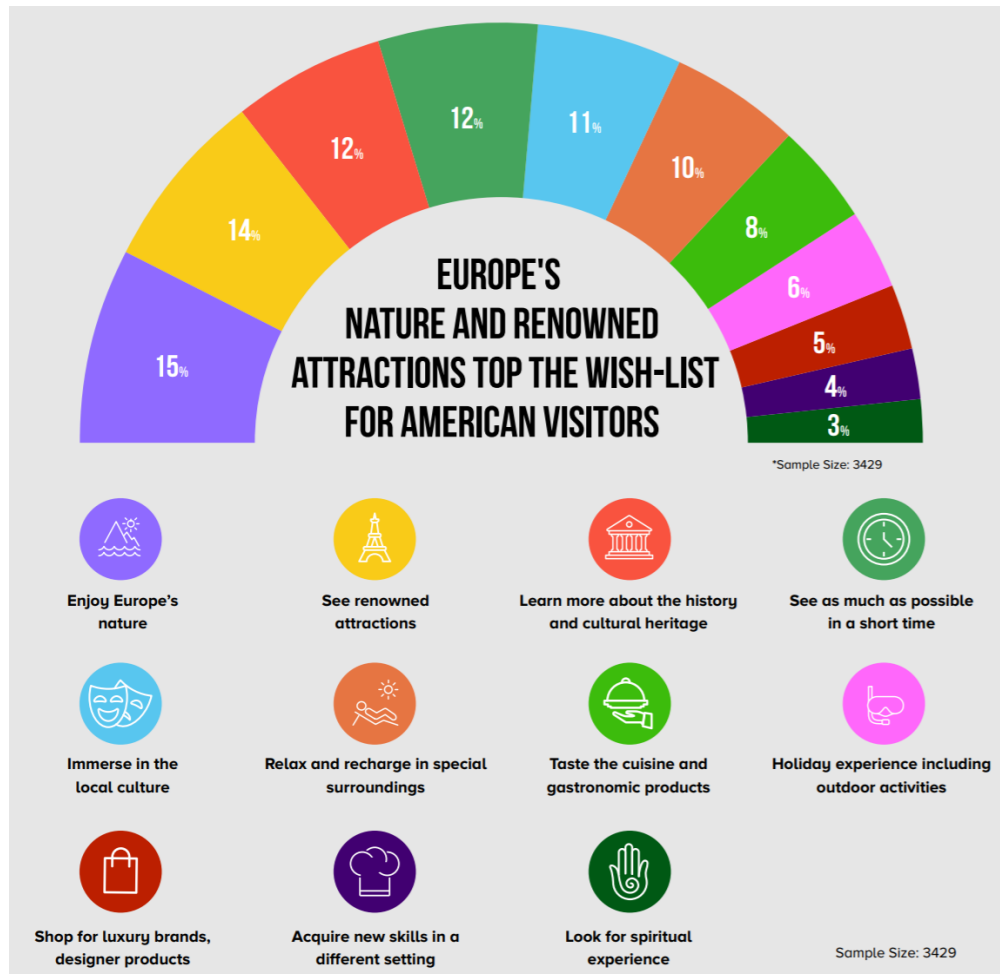
TOP 10 criteria US Travellers rate below global competition

- The results show the quality rating of European destinations by US travelers compared to the global norms.
- We can see that the value for money of more functional type of travel related services such as accommodations, transportation, restaurants offered in Europe are generally viewed negatively in comparison to other destinations.
- In contrast, the intrinsic character of Europe such architecture, landscape, historic sites were viewed positively in comparison to other destinations.

Source: TCI RESEARCH / TRAVELSAT Competitive Index

European Commission, EASME, ETC: RESEARCH SNAPSHOT ON THE US TRAVEL MARKET 2018 (August 2018)

USA: Wish-list what to do when visiting Europe



- These results show that a little more than half of US travelers enjoy tourist type activities such as sightseeing etc.
- A little less than half enjoy immersive type activities (history, local culture, gastronomy, new skills learning, outdoor and spiritual experiences).

European Commission, EASME, ETC: RESEARCH SNAPSHOT ON THE US TRAVEL MARKET 2018 (August 2018)

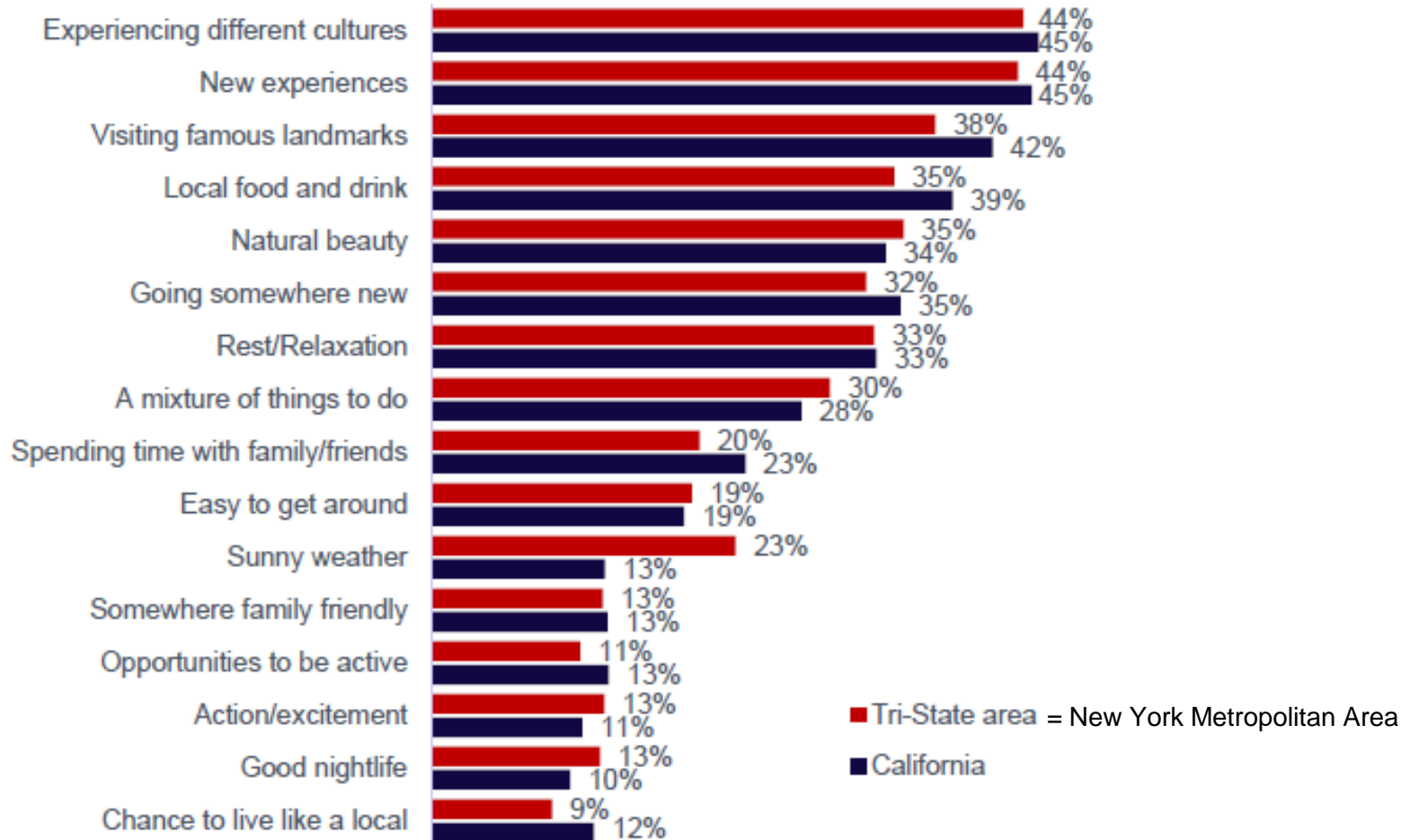
USA: Paris and London are main gateways into Europe



- Paris and London remain the main European destinations for outbound US travelers
- A lot of Americans are interested in visiting Europe, and learning about its history and culture, trying its delicious food, and visiting its beautiful landscapes, scenery, and tourist attractions. Some US tourists also visit Europe for ancestry and heritage purposes.
- US tourists usually see the continent as a whole destination, without seeing a distinction between countries, but have a tendency to visit Paris and London a lot more often than other cities. They see Europe as being a safe and easy place to visit, despite a recent increase in terrorist attacks in certain European countries.



USA: Most important things to look for when going overseas



- These results are from a study by Visit Britain in California (West Coast, around 40 million inhabitants) and the New York Metropolitan Area (“Tri-State area” on the East Coast, around 20 million inhabitants).
- There are few significant differences in vacation motivations between these coasts. New experiences and different cultures are an important part of international vacations for both. ‘Sunny Weather’ is much more important to travelers in the Tri-State area.
- Vacation activities: those in the Tri-State area are more likely to want to sunbathe or visit a spa / get pampered. Californians are more likely to want to visit museums/galleries and go walking/hiking.
- Vacation barriers are very similar for East vs West coast. Safety and security fears are the biggest barrier for both groups when choosing a destination.

Source: VisitBritain US East vs West Coast Consumer Research, 2017. Results above 10% total agreement shown. Based on quantitative research among residents in California or the Tri-State area who: have taken a vacation of two nights or more to a foreign country in the last three years (beyond Mexico and Canada); are decision makers when choosing vacation destinations; have either visited Britain in the last three years or are a non-rejecter of visiting Britain in the next five years

USA: Destination decision factors

U.S. travelers know where they want to go

63% of U.S. destination selectors had their last trip destination in mind when they were planning. Those who go international are a bit more open.

52% of U.S. travelers who visited somewhere new said it was a place they "always wanted to visit."

54% already had a destination in mind and 41% had a few places in mind when they started thinking about their trip.

Repeat travel is common

On their last trip, **53%** of U.S. destination selectors went to a destination they had visited before.

International destinations attract first-time visitors
59% of destination selectors who traveled to an international destination visited for the first time.

Wanderlust brings in the new visitors

49% of U.S. travelers who visited somewhere for the first time took this trip to go somewhere new.

24% of U.S. travelers who visited somewhere for the first time took this trip for cultural enrichment.

24% of U.S. travelers who visited somewhere for the first time considered the destination because of its value for money.

When to get started?

65% of domestic travelers and 91% of international travelers started booking at least a month before departure.

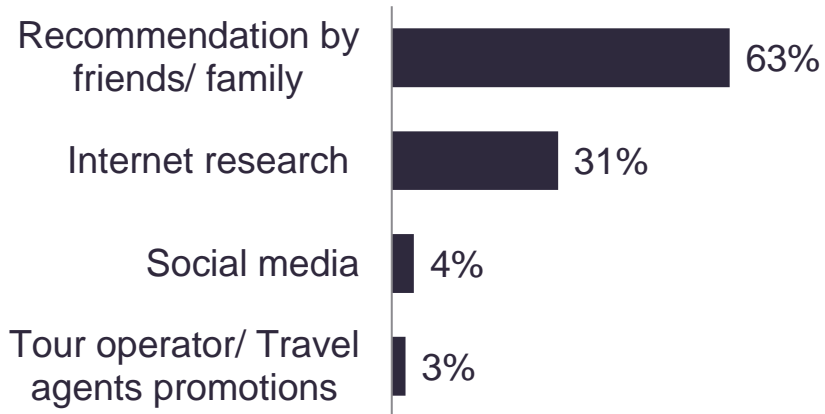
43% of travelers who chose among destinations are likely to spend only a week deciding.

International trips require more research
66% of international travelers spent at least a week doing research, compared to only 36% of those who visited a domestic decision.

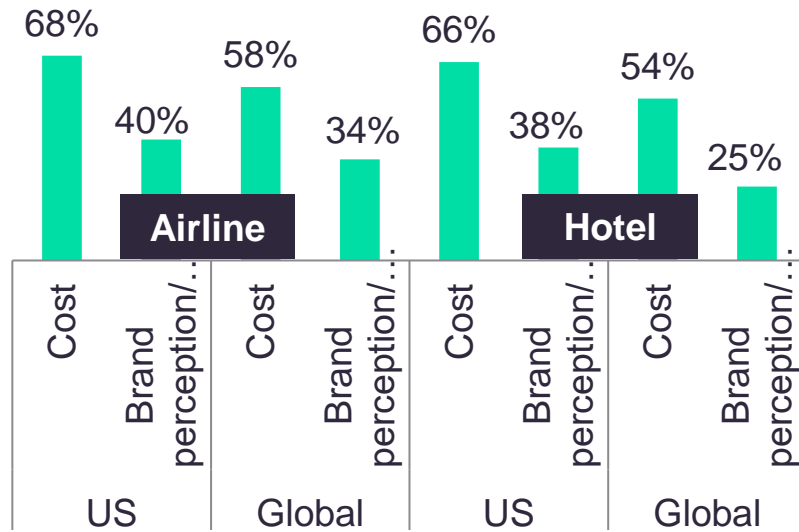
- This is from a Phocuswright study 2019 that explores the destination selection trends among US travelers
- In short it can be summed up like this: DREAM, BOOK, TRAVEL, REPEAT
- US travelers only take a few leisure trips a year, but travel is rarely far from their minds.
- Mobile devices mean that information is always at their fingertips, and travelers are eating it up.
- A quarter of US destination selectors say they actively research new trips at least once a month;
- Destinations and travel marketers need to consistently entice travelers to remain top of mind

Phocuswright 2019: Destination Decision: How US Travelers Choose Where to Go

USA: Decision influence & decision factors

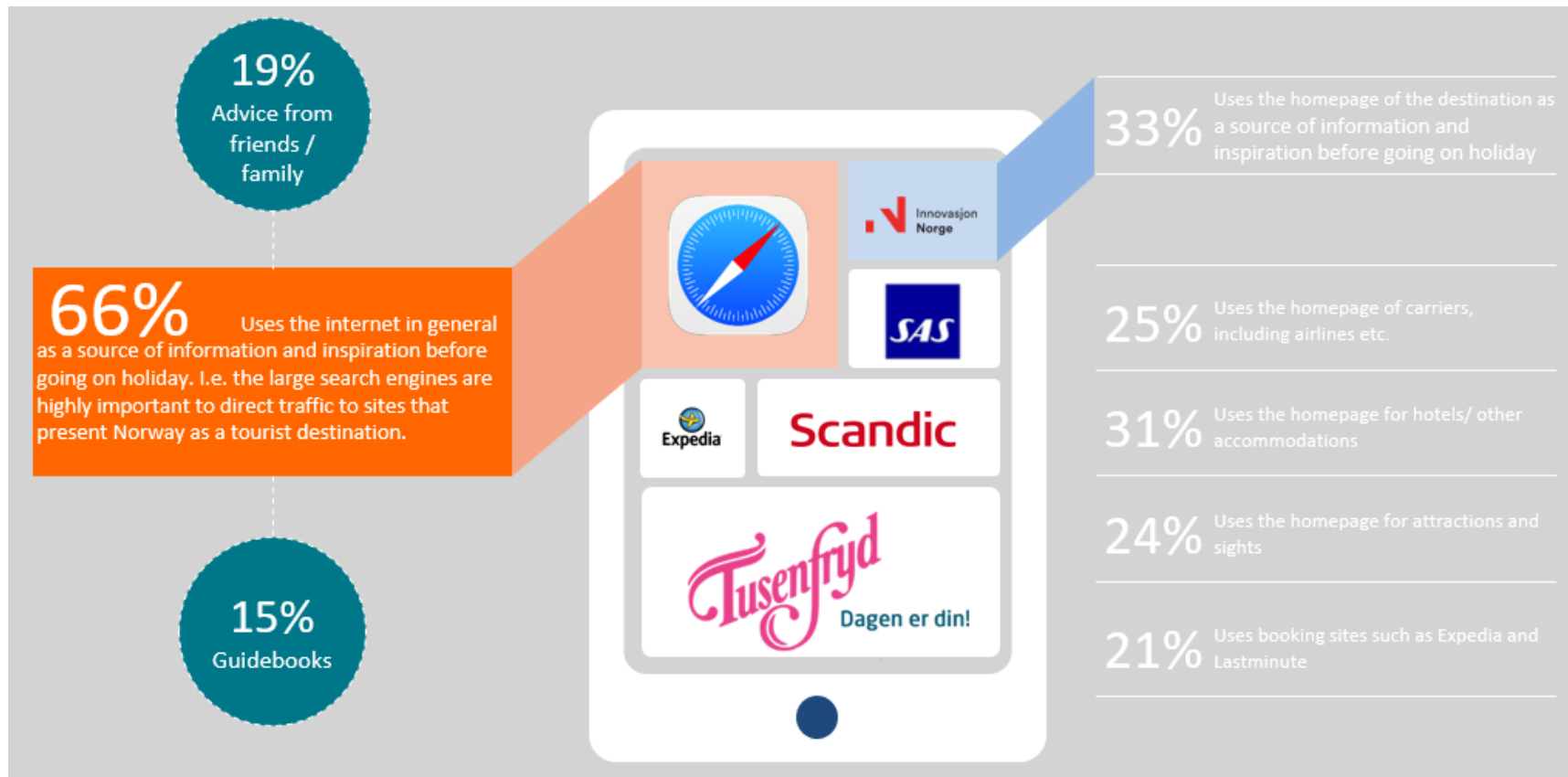


- More than half of US consumers choose their holiday destination based on recommendations by friends or family, followed by internet research and social media. Group ties are important in the US and the majority of Americans highly value the opinion of their family, friends, and relatives.
- Furthermore, the growth of the internet has accelerated the use of online social networks, metasearch engines such as Skyscanner and Kayak, and online travel agencies for holiday recommendations, and has gradually taken the place of brick-and-mortar travel agencies and tour operators. This can work to the advantage of travel businesses' that have a strong online presence, and those with a weaker internet strategy must bolster their solutions and online presence so that their products and services are in accordance with this increasing trend.
- US consumers value cost highly when it comes to choosing an airline. According to GlobalData's consumer survey, 68% of US travelers said that cost is very important when choosing an airline. This figure is 10% higher than the global average, which stands at 58%. Another aspect considered highly important when choosing an airline is brand perception, with 40% of Americans viewing brand perception or reputation as very important, compared to the world average, which is only 34%. Especially in the recent political climate, full of uncertainty, US customers prefer strong brands with an excellent reputation that can offer them high value and a break from the chaos.
- The same is true when it comes to booking a hotel: US tourists prefer affordability. Airlines and hotels wanting to target the US market should keep this in mind, and lower their prices, while putting more emphasis on improving their brand marketing.



GlobalData's 2016 Q4 consumer survey

USA: Sources of information before and during travel



- This is from Innovation Norway’s 2017 report: Activating the Norway Brand, A report on holiday needs and segments in the US market.
- The basis US travelers who have been abroad for a holiday in the last 3 years.
- The digital channels are most important

Innovation Norway 2017: Activating the Norway Brand, A report on holiday needs and segments in the US market

USA: 5 interesting travel trends



THE BOOMERS TRAVEL MORE

The large generation of the so-called *Baby boomers* born between 1946 and 1965 increases their traveling as they have either retired or are at the end of their work life, their children are grown up and they have financial resources to travel.

A lot of the baby boomers have ancestors in Europe, which gives them a natural interest in the historical and cultural heritage of Europe.



REVIVAL OF GUIDED TOURS

Escorted tours have recently experienced a significant revival among the North American travelers.

However, the format is no longer a tour guide taking big groups of tourists to the central sights. In stead, the 'Tour director' is a key to unique experiences, hidden gems and in-depth understanding of the local culture. Moreover, traveling with a tour guide increases the sense of security, especially among the first-time travelers.



AUTHENTICITY IS A KEY WORD

Many North American travelers seek unique experiences and activities 'off the beaten track'.

They seek to explore the local culture and heritage in depth.

Even on package tours, authenticity and unique experiences are buzzwords.

The international travel agency *Globus* operate with two popular types of travels: 'Escapes with Globus' and 'Undiscovered tours'.



THEME TRAVELS ARE POPULAR

Theme travels or niche travels experience an increased popularity.

These themes include for instance food tasting, wellness and healthy living, cultural heritage sites, gardening, religious sites, film locations, music etc.

A lot of these theme travels are provided by niche operators, but many larger travel agencies have also started offering theme travels.



MORE SOFT ADVENTURES

An increasing number of North American travelers ask for "soft adventures" when traveling abroad.

Soft adventure includes a wide range of different activities such as hiking, horseback riding, canoeing etc.

What defines a soft adventure is that it includes new and challenging activities, while involving low risk – which is important, as safety and security is one of the most important parameters when traveling for most of the North American travelers.

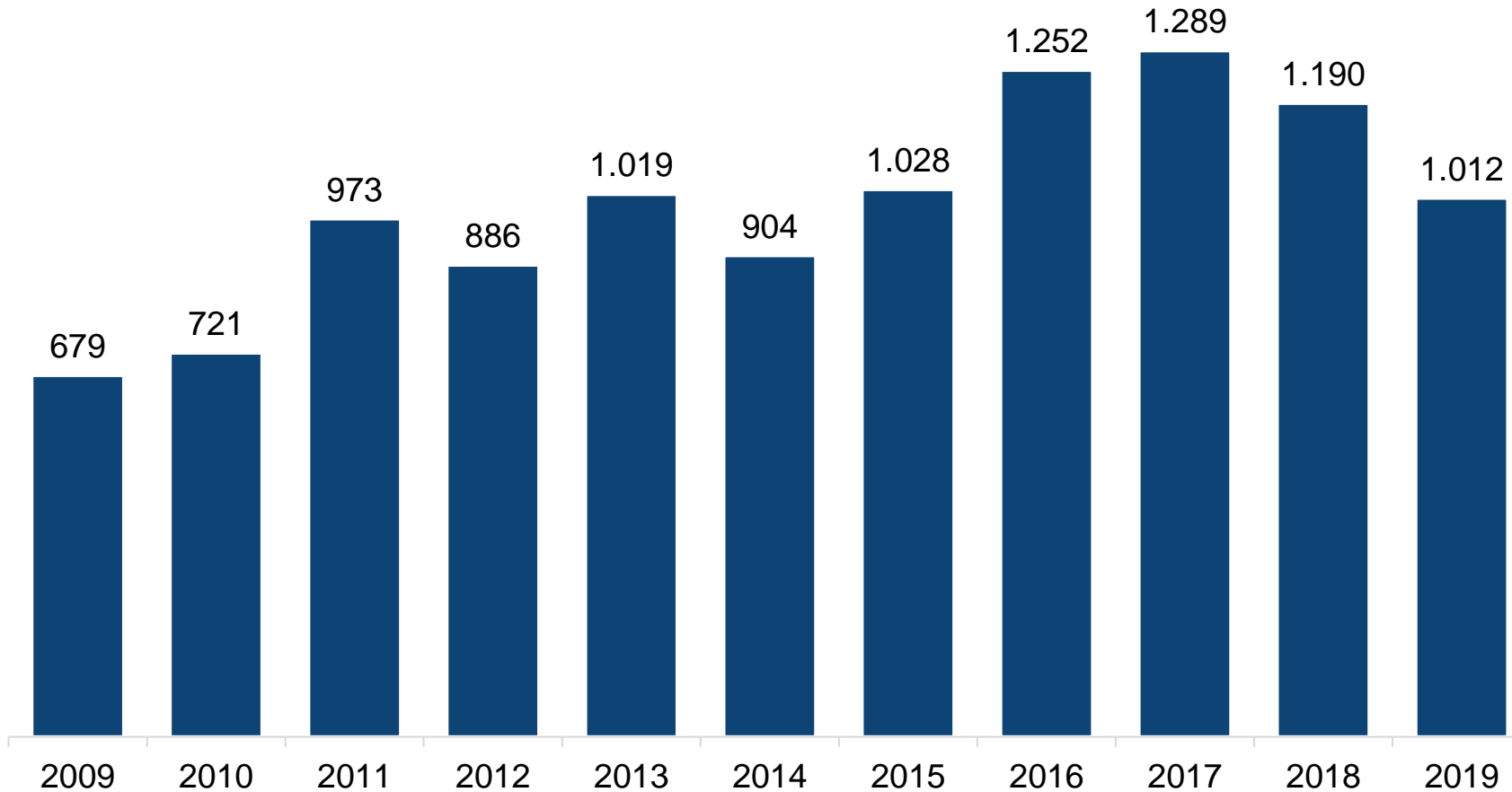
Wonderful Copenhagen (2019): The Northwest American market

Statistics on overnights from the US in the 8 Nordic destinations



1. Iceland is the Top-destination followed by Norway, Sweden and Denmark.
2. Huge growth for most of the Nordic destinations in the last 5 years.
3. The differences between the destinations regarding the number of overnight stays are huge, varying between 1,000 overnights (in Åland Islands) and 2 million (in Iceland).
4. Also the growth rates are different between the destinations, ranging from stagnation (in Greenland) to factor 15 compared to 2009 (in Iceland).

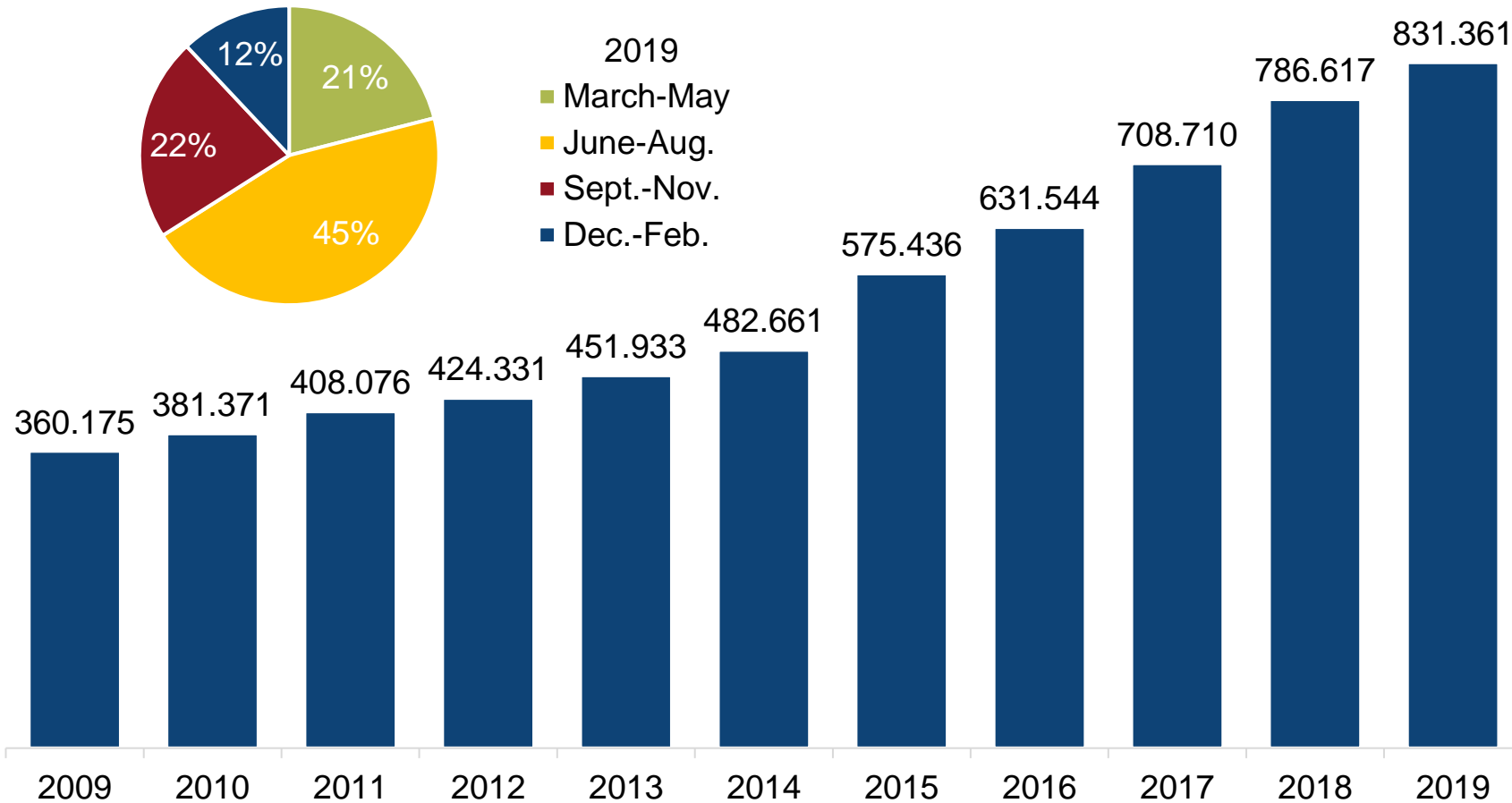
US overnight stays in the Åland Islands 2009-2019



- General: in 2019, there have been around 1,000 overnight stays from the USA in the Åland Islands.
- Trend: There has been an inconsistent upward trend from 2009 to the peak year of 2017, with figures doubling from 680 to 1,300 – the last two years have seen a certain decline, again.
- No data available for seasonal breakdown
- No data available for geographical breakdown

Accommodation statistics, Statistics Finland 2020

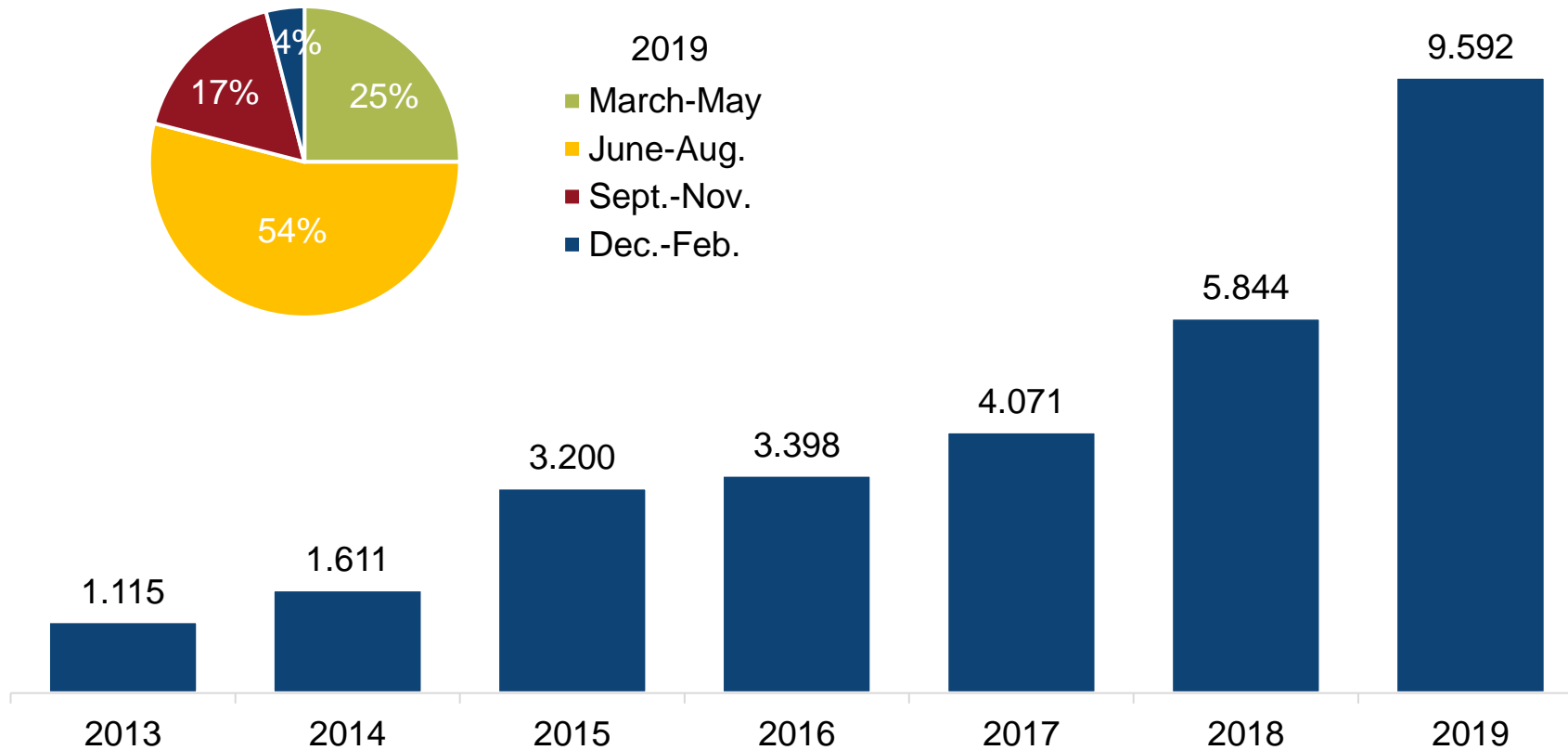
US overnight stays in Denmark 2009-2019



- General: in 2019, there have been more than 830,000 overnight stays from the USA in Denmark.
- Trend: There has been a steady upward trend in the last decade – the figures have more than doubled compared to ten years ago.
- Seasonal: The most important season is the summer, with 45% of all overnight stays 2019 from the USA, followed by fall (22%) and spring (21%).
- Geographical: High concentration in the capital region: 737,000 or 89% in Hovedstaden (Copenhagen and capital region), 94,000 or 11%: rest of the country

Accommodation statistics, Statistics Denmark 2020

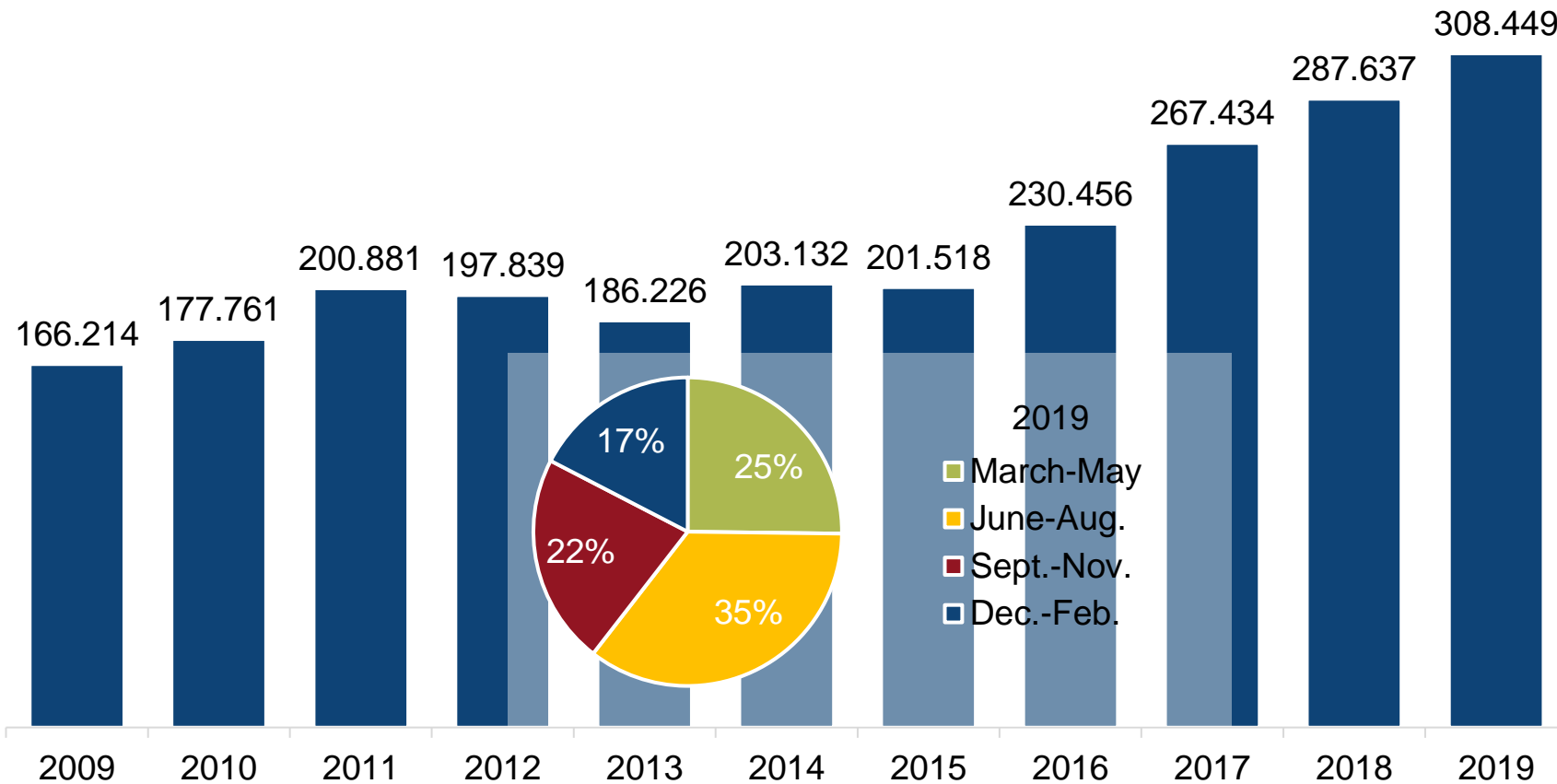
US overnight stays in Faroe Islands 2013-2019



- General: in 2019, there have been almost 10,000 overnight stays from the USA in Denmark.
- Trend: There has been a very steep growth since 2013 (the first year that statistical data is available) – in total there are almost ten times as many US overnight stays now than in 2013.
- Seasonal: The most important season is the summer, with 54% of all overnight stays 2019 from the USA, followed by spring (25%) and fall (17%).
- Geographical: Quite concentrated in the “capital region”, with 7,300 or 76% in Tórshavnarøkið (Tórshavn, Argir og Hoyvík), 2,300 or 24%: rest of the country

Accommodation statistics, Statistics Faroe Islands 2020

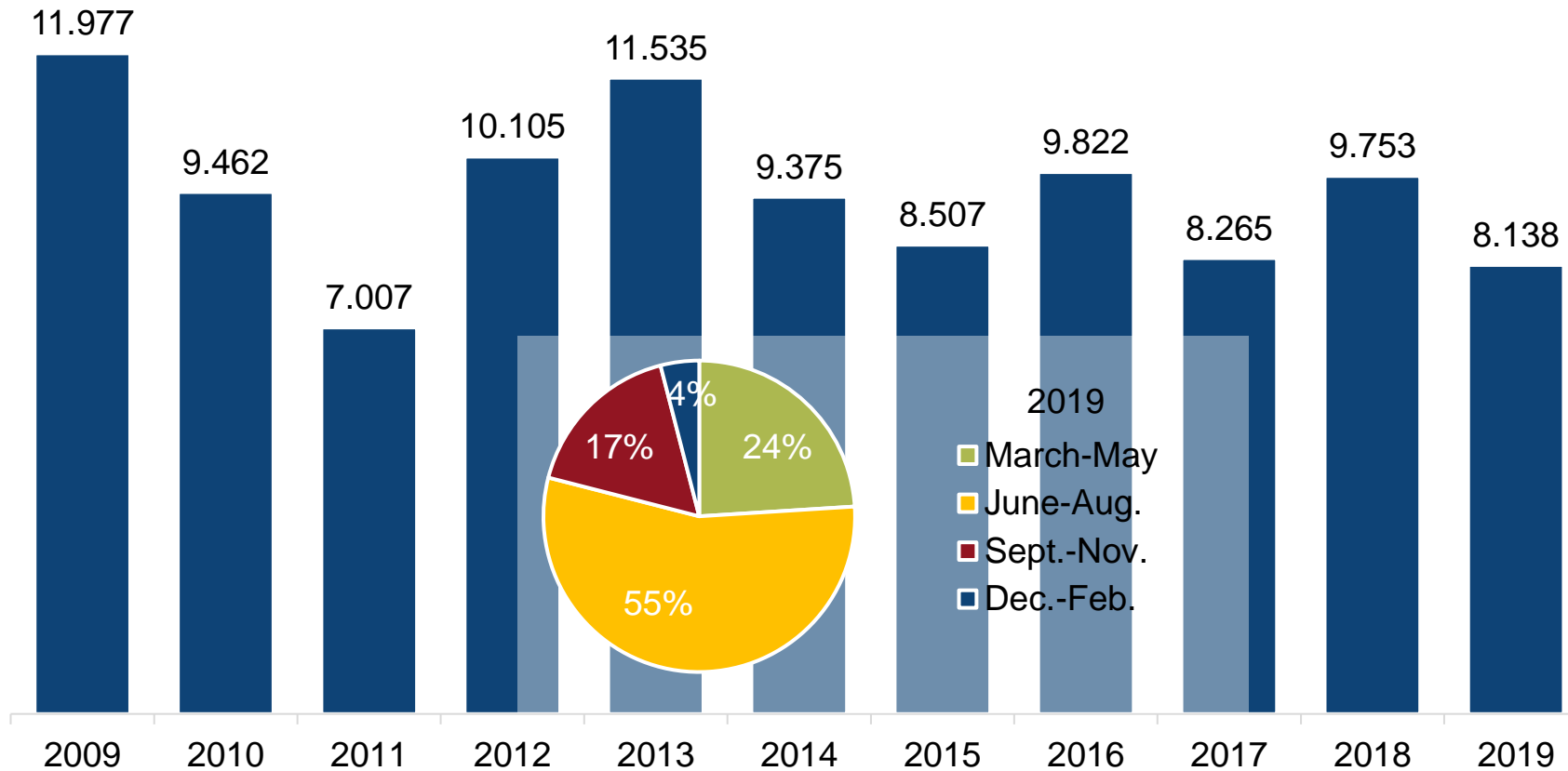
US overnight stays in Finland 2009-2019



- General: in 2019, there have been more than 300,000 overnight stays from the USA in Finland.
- Trend: There has been an upward trend in the last decade, mostly between the years 2015 and 2019 – in total, the figures have almost doubled compared to ten years ago.
- Seasonal: The most important season is the summer, with 35% of all overnight stays 2019 from the USA, followed by spring (25%), fall (22%) and winter (17%).
- Geographical: Quite concentrated in the capital area with 218,000 or 71% in Uusimaa (Helsinki and capital region), 43,000 or 14% in Lapland, 48,000 or 15%: rest of the country

Accommodation statistics, Statistics Finland 2020

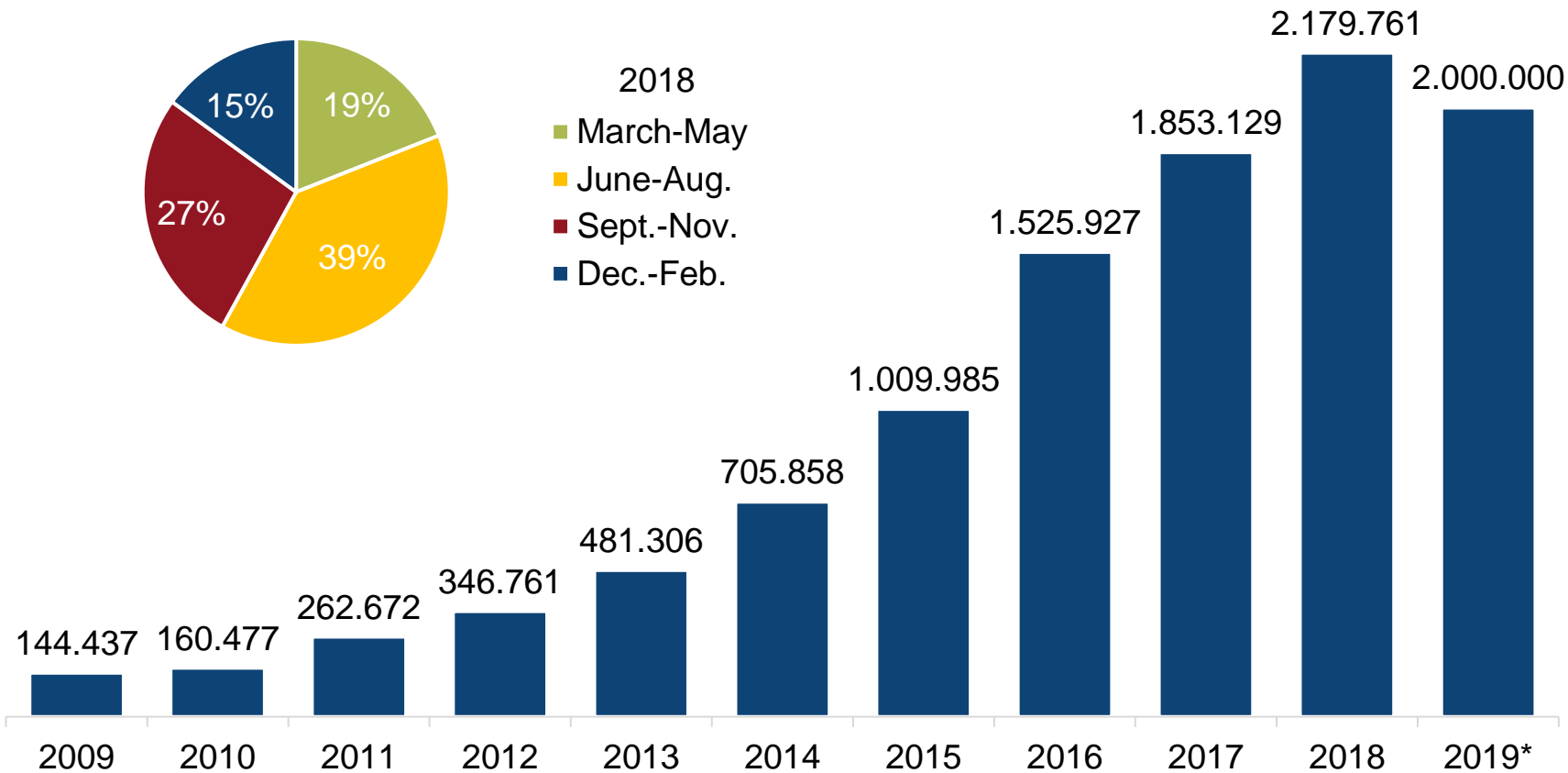
US overnight stays in Greenland 2009-2019



- General: in 2019, there have been more than 8,000 overnight stays from the USA in Greenland.
- Trend: There is no consistent trend. In the past decade the figure of overnight stays from the US has been oscillating around 9,000 per year.
- Seasonal: The most important season is the summer, with 55% of all overnight stays 2019 from the USA, followed by spring (24%) and fall (17%).
- Geographical: The most important regions are Qeqqata Kommunia with 2,770 or 34%, Avannaata Kommunia and Kommune Qeqertalik with 1,750 or 22% and Ilulissat with 1,650 or 20% of all US overnight stays.

Accommodation statistics, Statistics Greenland 2020

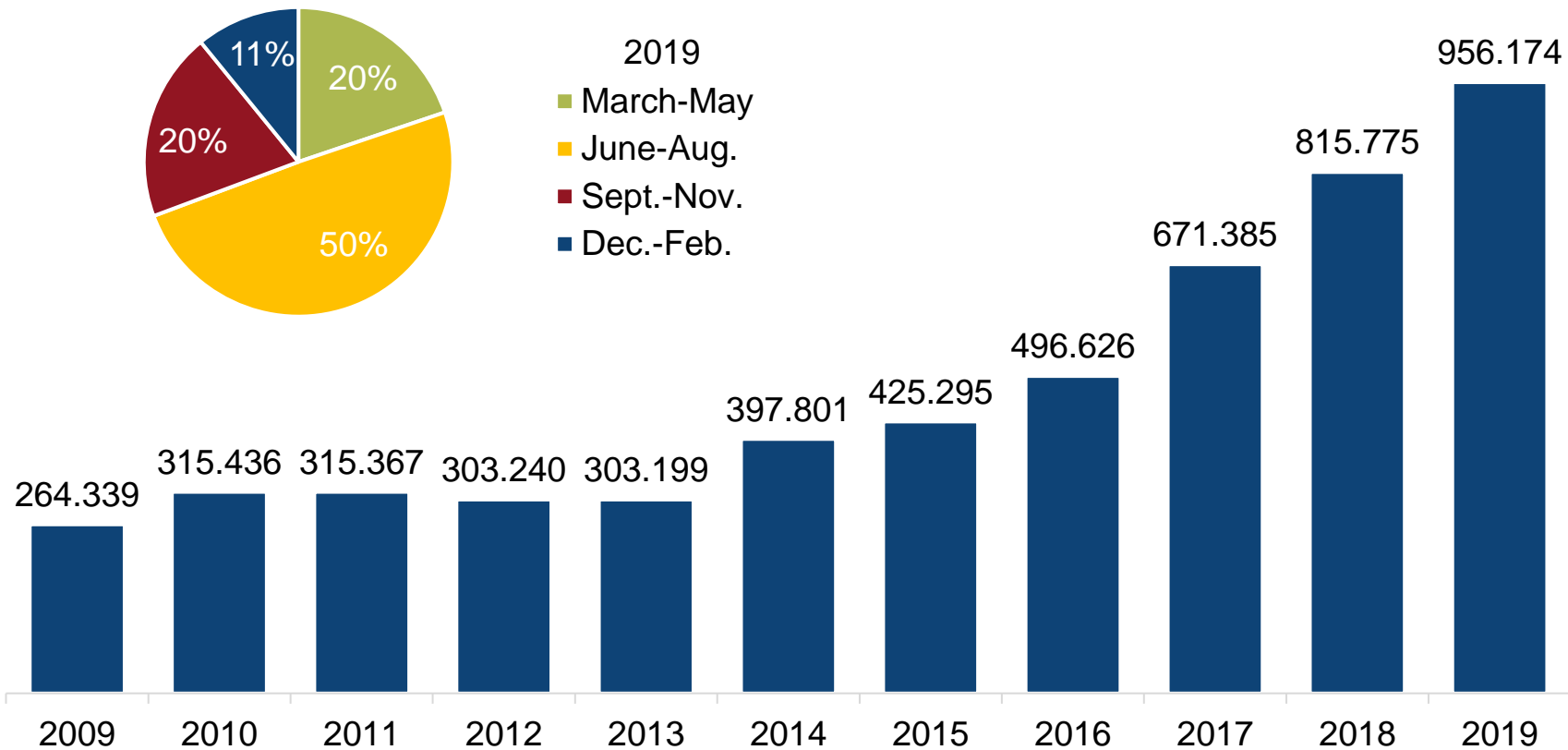
US overnight stays in Iceland 2009-2019



- General: in 2019, there have been around two million overnight stays from the USA in Iceland.
- Trend: There has been a very dramatic upward trend in the last decade until 2018 – in total, the figures today are 15 times higher than ten years ago. There has been a small decline from 2018 to 2019.
- Seasonal: The most important season is the summer, with 39% of all overnight stays 2018 from the USA, followed by fall (27%) and spring (19%).
- Geographical: Certain concentration of US overnights 2018 in two regions, 1.1 million or 52% in the Capital region, 0.5 million or 23% in South Iceland, 0.6 million or 25% in the rest of the country.

Accommodation statistics, Statistics Iceland 2020 (* estimation based on figures for hotels)

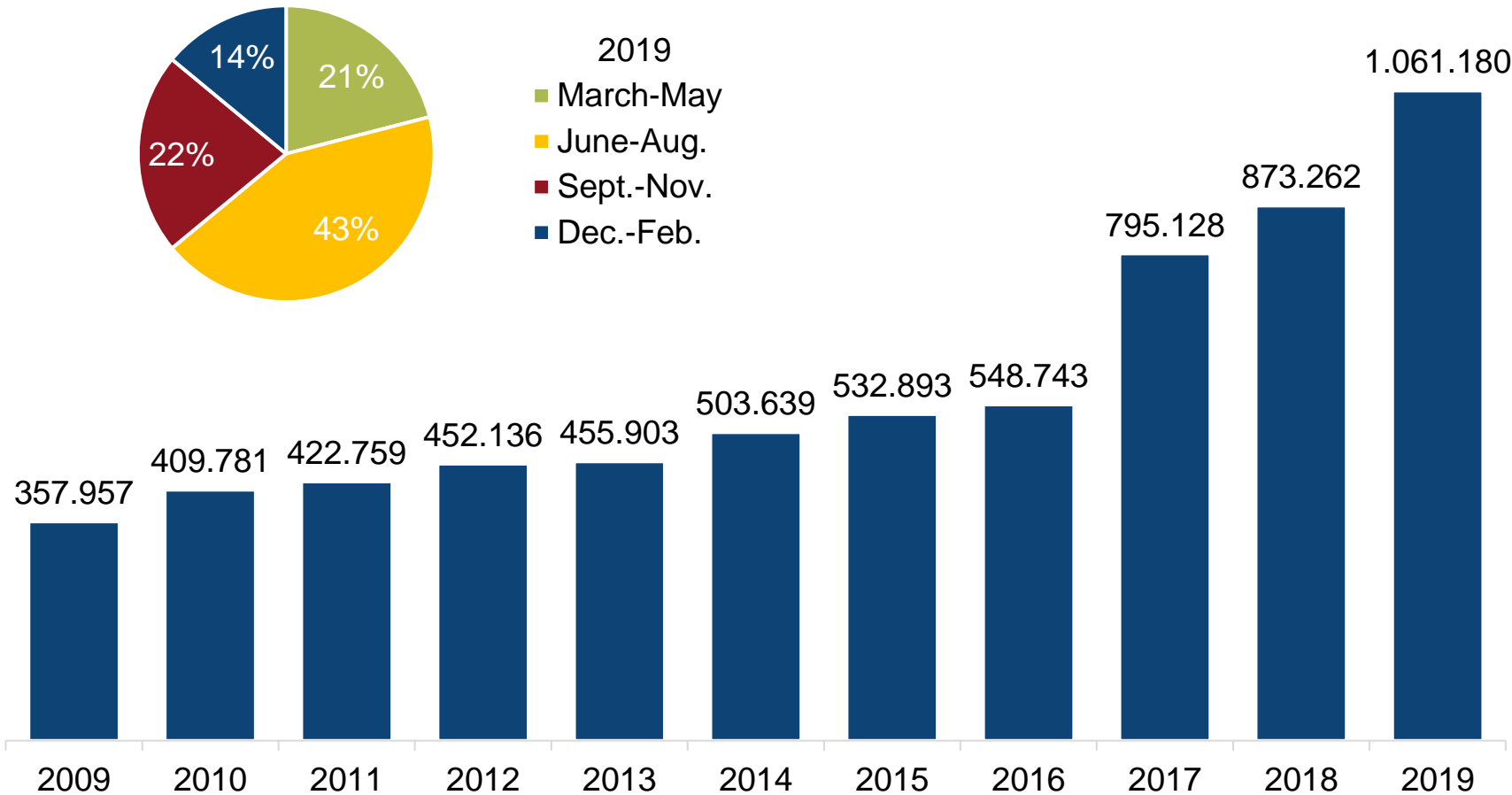
US overnight stays in Norway 2009-2019



- General: in 2019, there have been almost 960,000 overnight stays from the USA in Norway.
- Trend: There has been a steep upward trend in the last decade, mostly between the years 2013 and 2019 – in total, the figures today are almost 4 times higher than ten years ago
- Seasonal: The most important season is the summer, with 50% of all overnight stays 2019 from the USA, followed by fall and spring (20% each).
- Geographical: Certain concentration on two regions, 344,000 or 36% in Fjord-Norway (Rogaland, Hordaland, Sogn og Fjordane, Møre og Romsdal), 342,000 or 36% in Oslo & Akershus, 270,000 or 28%: rest of the country

Accommodation statistics, Statistics Norway 2020

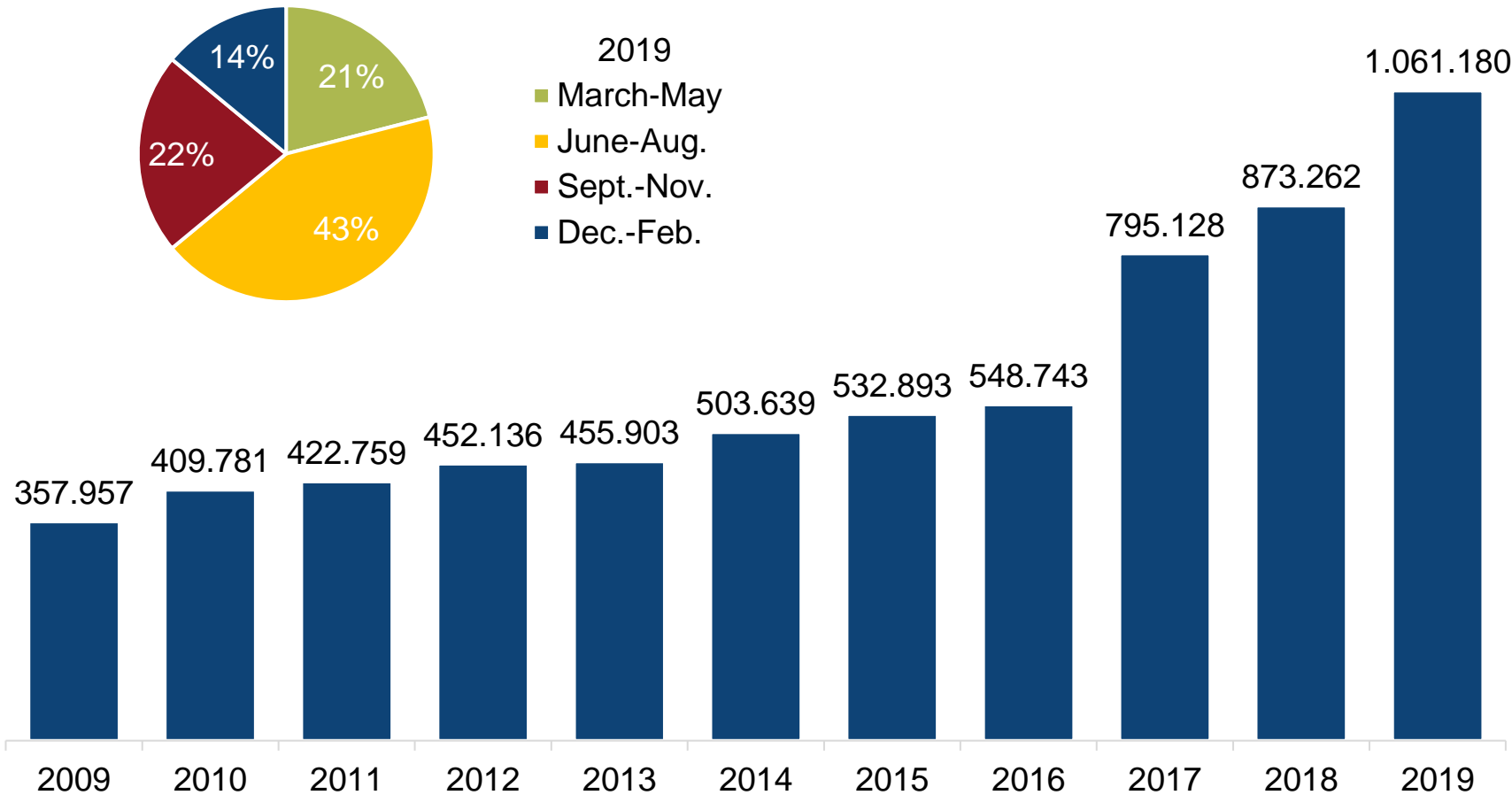
US overnight stays in Sweden 2009-2019



- General: in 2019, there have been more than one million overnight stays from the USA in Sweden.
- Trend: There has been a steep upward trend in the last decade, mostly between the years 2016 and 2019 – in total, the figures today are 3 times higher than ten years ago
- Seasonal: The most important season is the summer, with 43% of all overnight stays 2019 from the USA, followed by fall (22%) and spring (21%).
- Geographical: There is a certain focus on the capital area, with 577,000 or 54% in Stockholm county, followed by 156,000 or 15% in Västra Götaland and 103,000 or 10% in Halland; 225,000 or 21%: rest of the country

Accommodation statistics, Statistics Sweden 2020

US overnight stays in Sweden 2009-2019



- General: in 2019, there have been more than one million overnight stays from the USA in Sweden.
- Trend: There has been a steep upward trend in the last decade, mostly between the years 2016 and 2019 – in total, the figures today are 3 times higher than ten years ago
- Seasonal: The most important season is the summer, with 43% of all overnight stays 2019 from the USA, followed by fall (22%) and spring (21%).
- Geographical: There is a certain focus on the capital area, with 577,000 or 54% in Stockholm county, followed by 156,000 or 15% in Västra Götaland and 103,000 or 10% in Halland; 225,000 or 21%: rest of the country

Accommodation statistics, Statistics Sweden 2020

Segmentation approaches for the US market

1. Besides a geographical focus on the US market it might be worthwhile to consider also a segment specific targeting for the Nordic destinations.
2. This chapter introduces four segmentation models that are used by some of the destinations.
3. Despite different methodologies in how to identify them, there is a certain overlap of the characteristics of some of the segments – this can help to find a common marketing approach for the Nordic destinations to target the right segments with the right products and messages.

GlobalData segmentation

Solo travelers

There is an booming trend among US travelers to travel alone. Solo travel has soared in popularity recently, with a 42% increase in traveler bookings between 2015 and 2017; female travelers prefer to travel solo more than men. One explanation is an increasing need for independence in creating the travel plan and having more freedom of choice while on holiday.

More and more people are traveling for self-discovery and are not afraid to be alone on this journey. Better technology and the availability of useful travel apps makes it easier to travel alone than ever before.



Baby boomers

US consumers aged 45 and over are better placed financially — being more financially stable and having more discount offers available for the retired ones from this age group — and have more time to travel than the younger generations, especially those who have already retired.

They are more consistent and know exactly what they want when going on holiday. They usually travel for leisure purposes and prefer to travel with a partner. They have also started using technology more, booking online or for looking for travel recommendations, holiday ideas, and tips.

- Visit Iceland has provided a 2018 report by GlobalData that puts forward a very easy segmentation.
- It is based on sociodemographics and travel behavior.

Millennials

US millennials travelers are looking to experience as much as possible out of every place they visit. They usually have a strong sense of joyfulness and fun and like to get involved in various activities, which enhances every step of their journey. Socializing and spending time with family and friends is the way US millennial tourists mostly like to relax on vacation. Of millennials, 53% are parents and value family time highly, so they are traveling with their loved ones.

US millennials usually choose to visit big metropolitan urban areas rather than remote places. This generational group is anticipated to have the most impact on travel and tourism in the future. GlobalData predicts that the number of holiday takers in this age group will grow at the highest rate (a CAGR of 3.6%) between 2017 and 2022.

Visit Greenland segmentation



		INTEREST FOCUS			
		Culture	Culture&Nature	Nature	Personal Challenge
ENGAGEMENT LEVEL	Immersion	11% Ethnophile		2% Wilderness Seeker	
	Interaction	14% Culture Lover	30% Globetrotter	5% Nature Lover	7% Special Interest
	Observation	4% Culture Appreciator	10% Sightseer	4% Nature Appreciator	12% no segment

- This matrix shows the Visit Greenland segments within all US passport holders.
- The segments are defined by the interest in culture and nature and the desired level of immersion into local life at the destination.
- We can see that the Globetrotters are the largest segment with a share of 30%.
- Then come the Culture Lovers with 14%, Ethnophiles with 11% and the Sightseers with 10%.
- All other segments have shares of 7% and below.
- Here you find in detail how the segmentation works and how the segments can be characterized: <https://traveltrade.visitgreenland.com/adventure-segments-in-greenland/>

Visit Greenland study on the US market 2016 by NIT/Ipsos:

Innovation Norway segmentation

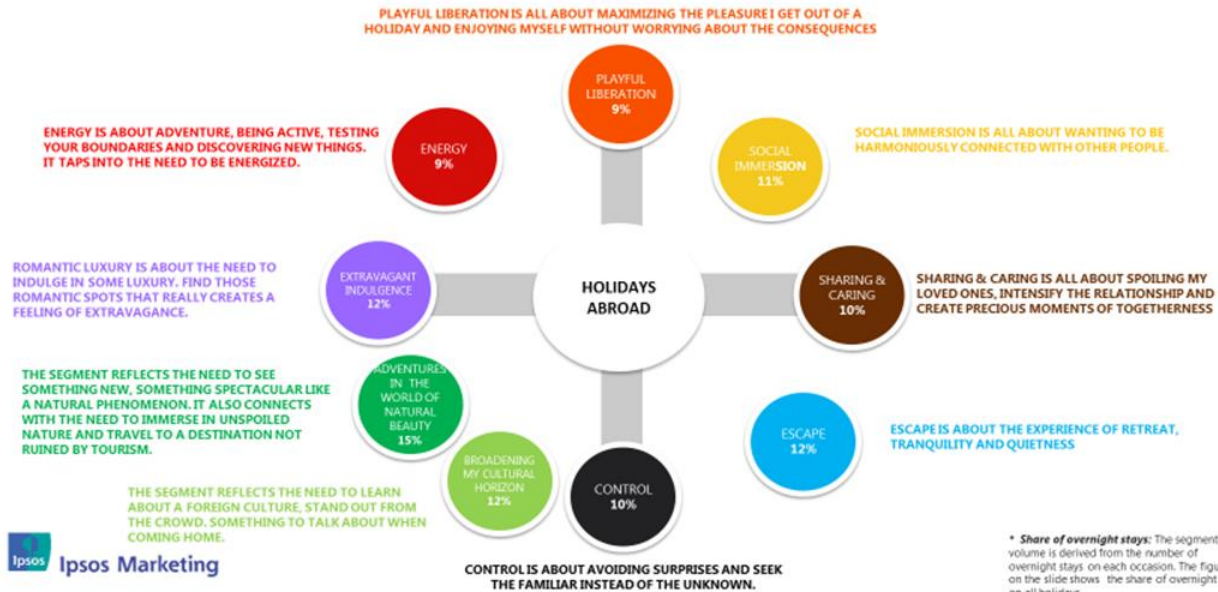
BE RELEVANT

Associate your brand with relevant category roles



Censydiam Motivational Framework

SEGMENT OVERVIEW AND SIZE



Ipsos Marketing

* Share of overnight stays: The segment volume is derived from the number of overnight stays on each occasion. The figures on the slide shows the share of overnight stays on all holidays

Ipsos Report | August 2017 | Global report |

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- For the Innovation Norway segmentation, Ipsos has applied the Censydiam Model of brand relationships.
- This approach gives you 9 distinct holiday segments.
- The characteristics of these segments are somewhat similar to the Visit Greenland segments.
- Here you find in detail how the segmentation works and how the segments can be characterized: <https://www.innovasjon Norge.no/globalassets/reiseliv/markedsdata/malgruppestudier/optima---global-report-191017.pdf>

Innovation Norway 2017: Activating the Norway Brand, A report on holiday needs and segments in the US market

Visit Sweden segmentation



Image by CaiImage/Johnér

Curious Explorers (43%)

Want to experience everything possible but the driving force is MOST to learn new things, experience new cities and places and to have time to do and see as much as possible of Sweden.



Image by Stefan Isaksson/Johnér

Outdoor Enthusiasts (15%)

Want to experience everything possible but the driving force is MOST to experience nature, be active and move, enjoy peace and quiet.



Image by Maskot Bildbyrå AB/Johnér

Holiday Hedonists (31%)

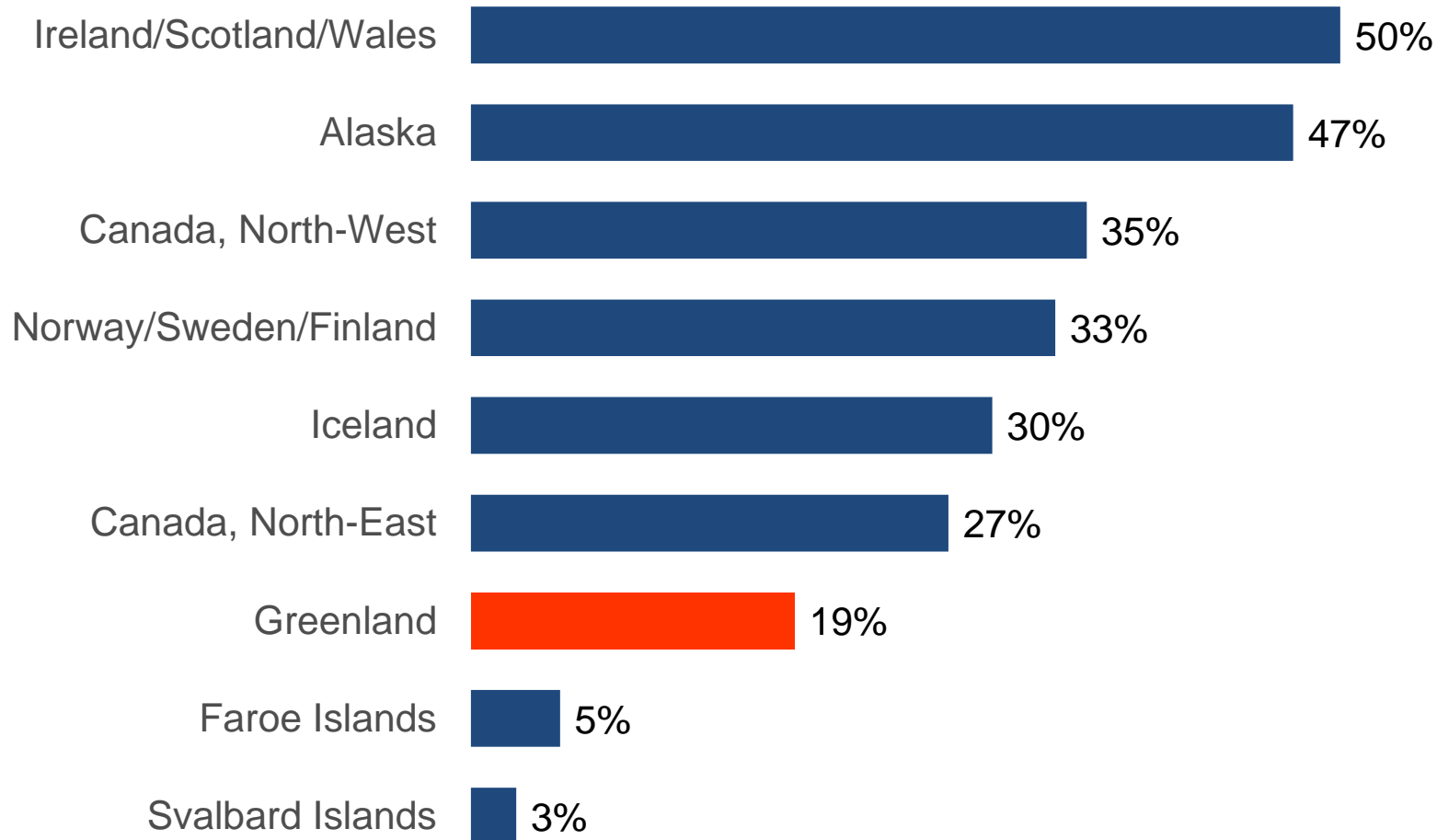
Want to experience everything possible but the driving force is MOST to relax, drop routines, enjoy good food and drink, feel free, have fun and experience things with the people you travel with.

- Visit Sweden is using a very straight-forward segmentation with only three segments that segment the “global traveler” (people travelling for holidays abroad at least once a year, 20-70 years old with internet access):
- The curious explorers with 43% of the US “global travelers”, the outdoor enthusiasts with 15% and the holiday hedonists with 31%.
- Here you find in detail how the segmentation works and how the segments can be characterized: <https://corporate.visitsweden.com/kunskap/malgrupp/> [*in Swedish only*]

Competition for the Nordics

1. The studies that have been available as a basis for this report provide different perspectives on the competitive situation of the Nordic destinations.
2. Obviously, the Nordic destinations have an overlapping customer base – this means on the one hand that it is a good idea to combine offers for the US market, on the other hand this means that, of course, the Nordic destinations are also in competition with each other.
3. The main competitors of the Nordic destinations on the US market are within Europe (e.g. Scotland, Switzerland, Austria) but also around the globe (e.g. Canada, Alaska, New Zealand, South Africa).
4. The comparison of the images of the Nordic destinations on the US markets show a lot of similarities with some ideas for differentiation of each destination. This again confirms that a lot of the Americans see the Nordics rather as ONE destination and not so much as separate countries.

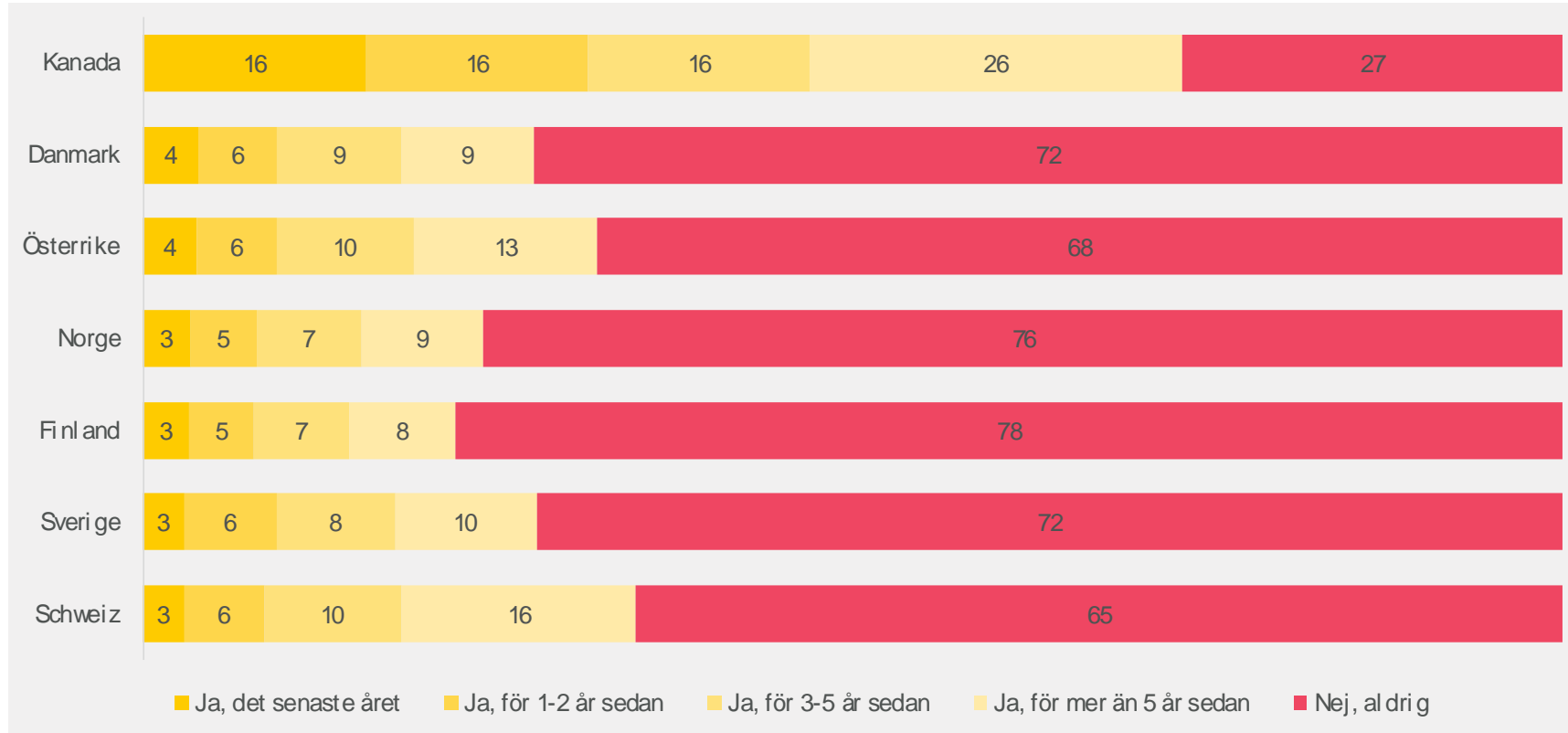
Interest to travel to Nordic destinations



- These figures come from a report by Visit Greenland on the US market. The figures are representative for all passport holders in the US.
- The question was: Now we are talking about holiday destinations in the North. Which of these destinations would you like to visit within the next 5 years?
- 83% of the US passport holders would like to go to at least one of these nine Nordic destinations in the next 5 years. 56% have been to at least one of these destinations at least once in their life.
- Ireland/Scotland/Wales is the most popular destination in terms of interest, Alaska, North-West Canada and Scandinavia follow.

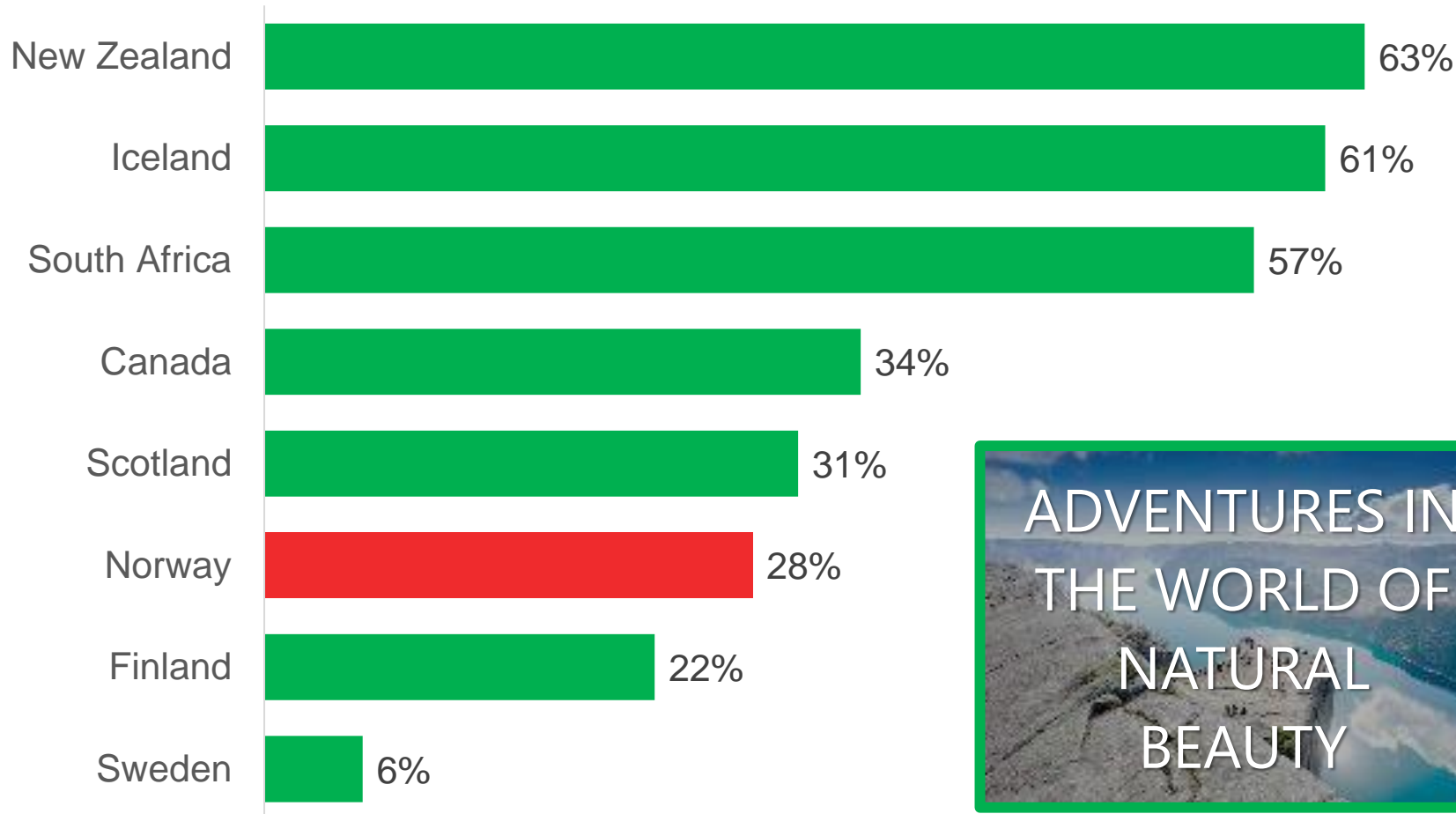
Visit Greenland study on the US market 2016 by NIT/Ipsos

All time holiday destinations of US “global travelers”



- These figures come from a report by Visit Sweden on the US market. The figures showing the results for “global travelers” (people travelling for holidays abroad at least once a year, 25-65 years old with internet access) in the New York metropolitan area, the greater Chicago area and California.
- The question was: Have you ever visited the following countries for holidays?
- Most have already visited Canada. In Europe Switzerland and Austria are the most visited countries.
- The Nordics are all on a similar level of around 25% all time visitors.

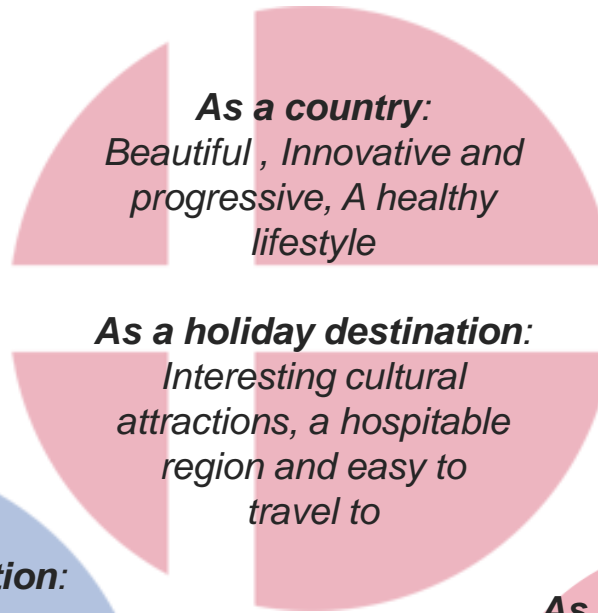
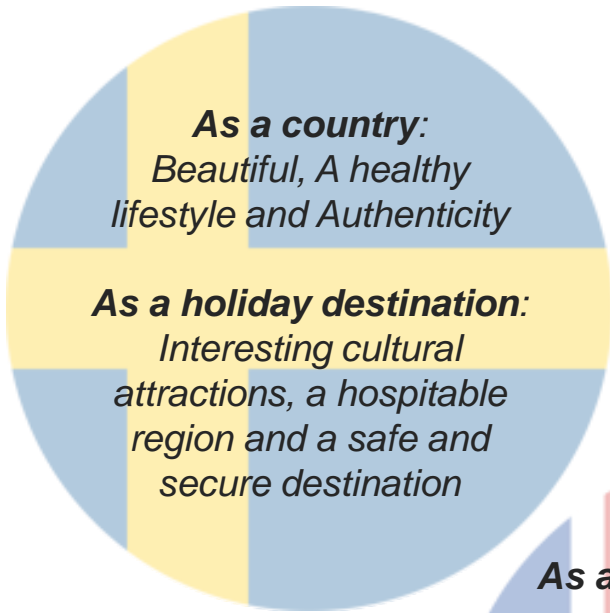
Competition within the nature/adventure segment



- These figures come from a report by Innovation Norway on the US market. The figures are showing results for the “adventures in the world of natural beauty” segment and their preferences for destinations.
- We see that New Zealand is considered most fitting for this kind of holiday followed closely by Iceland and South Africa.
- There seems to be a tough competition of the Nordics in this segment with destinations around the globe.
- Here you find in detail how the segmentation works and how the segments can be characterized: <https://www.innovasjon Norge.no/globalassets/reiseliv/markedsdata/malgruppestudier/optima---global-report-191017.pdf>

Innovation Norway 2017: Activating the Norway Brand, A report on holiday needs and segments in the US market

Images of Nordic destinations



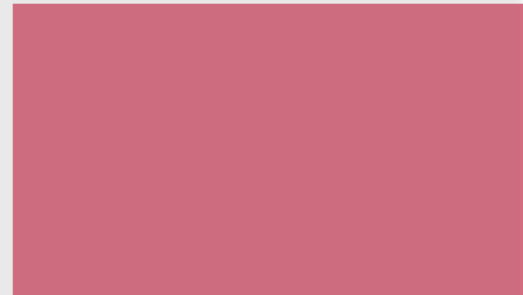
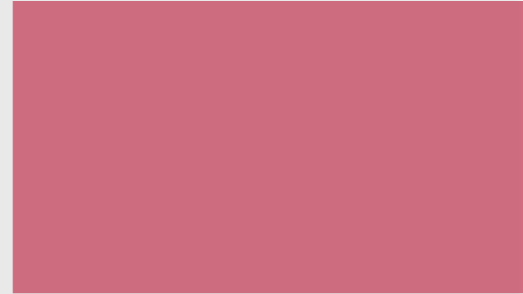
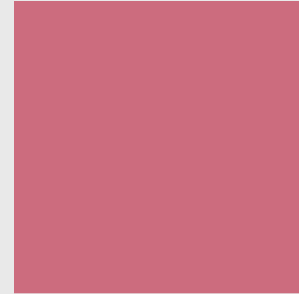
Sweden, Denmark, Norway: Visit Sweden Brand Tracking 2019, Visit Sweden/Ipsos
Iceland, Greenland: Visit Greenland study on the US market 2016 by NIT/Ipsos

Destination specific results

1. By analyzing relevant country specific information, we are able to find common ideas of marketing the Nordic destinations in the US in a multinational approach.
2. We see similar desires and similar activities – often a combination of nature and culture, city and country with a genuine interest to immerse into local lifestyle and food.
3. On the other hand we get insights about USPs in each destination (e.g. sauna in Finland, icebergs in Greenland, volcanoes/hot springs in Iceland).
4. Unfortunately, there was no specific information available on Åland Islands and Faroe Islands.

Destination results: DENMARK

1. There are good reasons for the Americans to travel to Denmark – yet, it can be seen that they first of all think of Copenhagen and not much about the rest of Denmark.
2. It will be a challenge to make them travel outside the capital region – it might be even fitting better with their travel desires to mix Copenhagen with other Nordic destinations than with other destinations within Denmark.
3. The inspiration sources fit well with the general results of the Americans' travel planning.



Why the Americans Visit Denmark

Functional necessities



- Safe and clean destination
- Good public transportation and short distances
- Good for stopovers (Denmark can easily be combined with other Nordic/European cities)
- Good flight connections

Emotional necessities



- Local experiences
- Local atmosphere
- Danish culture
- Unique experiences

The American perception of Denmark



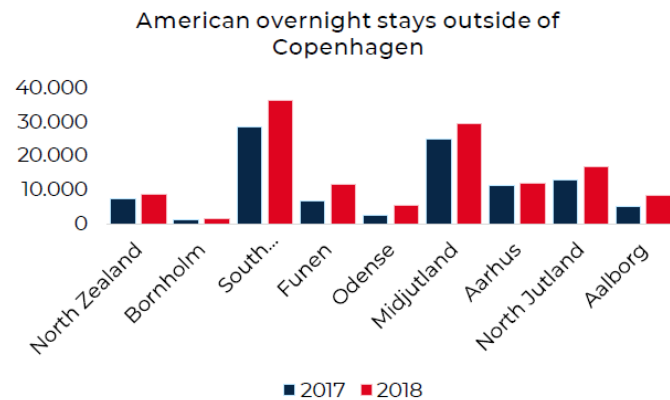
- Pocket-size destination
- “Hygge” and a particular attention to quality of life
- Safe bike city
- Innovative and sustainable capital city
- Rich in design, gastronomy and architecture
- Interesting history

- According to research by Visit Denmark, the Americans have good reasons to travel to Denmark.
- Many functional and emotional necessities are met.
- The perception of Denmark is fitting – but it is obvious that the Americans think first and foremost of Copenhagen.
- Probably there is not much awareness about the country outside of the capital.

Potential to travel outside the capital region

VisitDenmark 

Potential Outside of Copenhagen Too



The numbers show an increasing interest with Americans in exploring Denmark outside of its capital.

Efficient transport, nationally as internationally, support the vast potential for getting more Americans to experience the Danish regions.

Geographical Distances: US vs. Denmark



The US traveler views distances very differently than the Danes. A trip from Copenhagen to Aalborg by car is not a problem.

For the Americans, a lay-over is a natural part of getting from A to B.

With an annual average of eight days of travelling, the Americans want to see as much as possible, which is why they often visit several countries on a single trip and many of them combine their holiday in Denmark with a Scandinavian roundtrip

- On a very small scale, there is growth of American travelers outside of Copenhagen.
- Generally there should not be too many obstacles of getting the Americans to travel beyond Copenhagen.
- The question that remains is if they will not prefer to visit other countries nearby rather than going into the Danish regions.

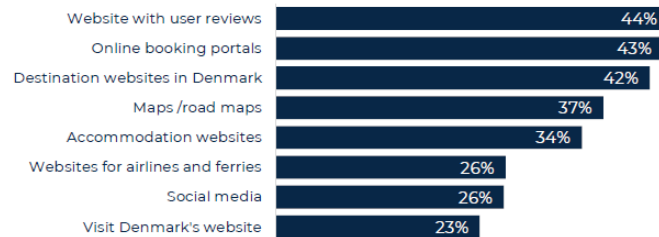
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Sources of inspiration when travelling to DK

Inspiration Sought by the Americans Prior to their Holiday

Have the following sources of inspiration influenced your decision to vacation in Denmark? Top 10
Multiple possible answers

Online sources of inspiration



Offline sources of inspiration



s. 12 Kilde: VisitDenmark, Turistundersøgelsen 2017

The American city tourist often turns to online sources, when looking for information about Denmark prior to their holiday

The tourist's top 3 sources are a mix of online sources; websites with user reviews, online booking portals and Danish destination websites.

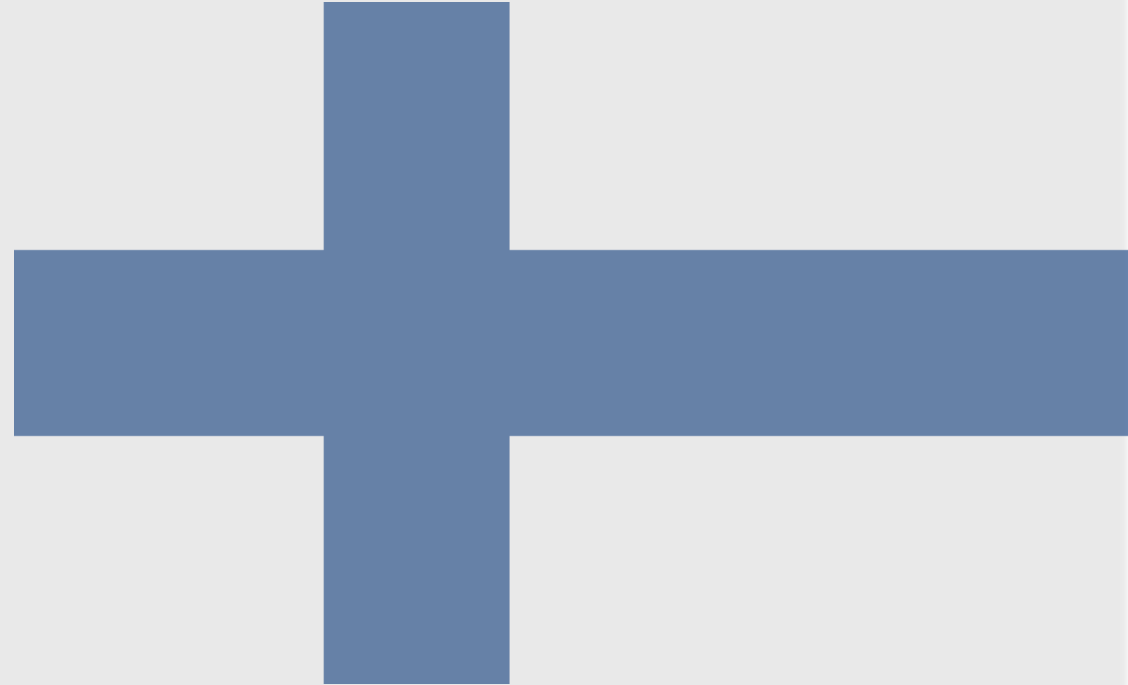
Americans who come on city breaks to Denmark also take inspiration from travel agencies.

To a greater extent than in 2014, American city tourists now use websites with user reviews, blogs, social media and online videos as inspiration for their holiday.

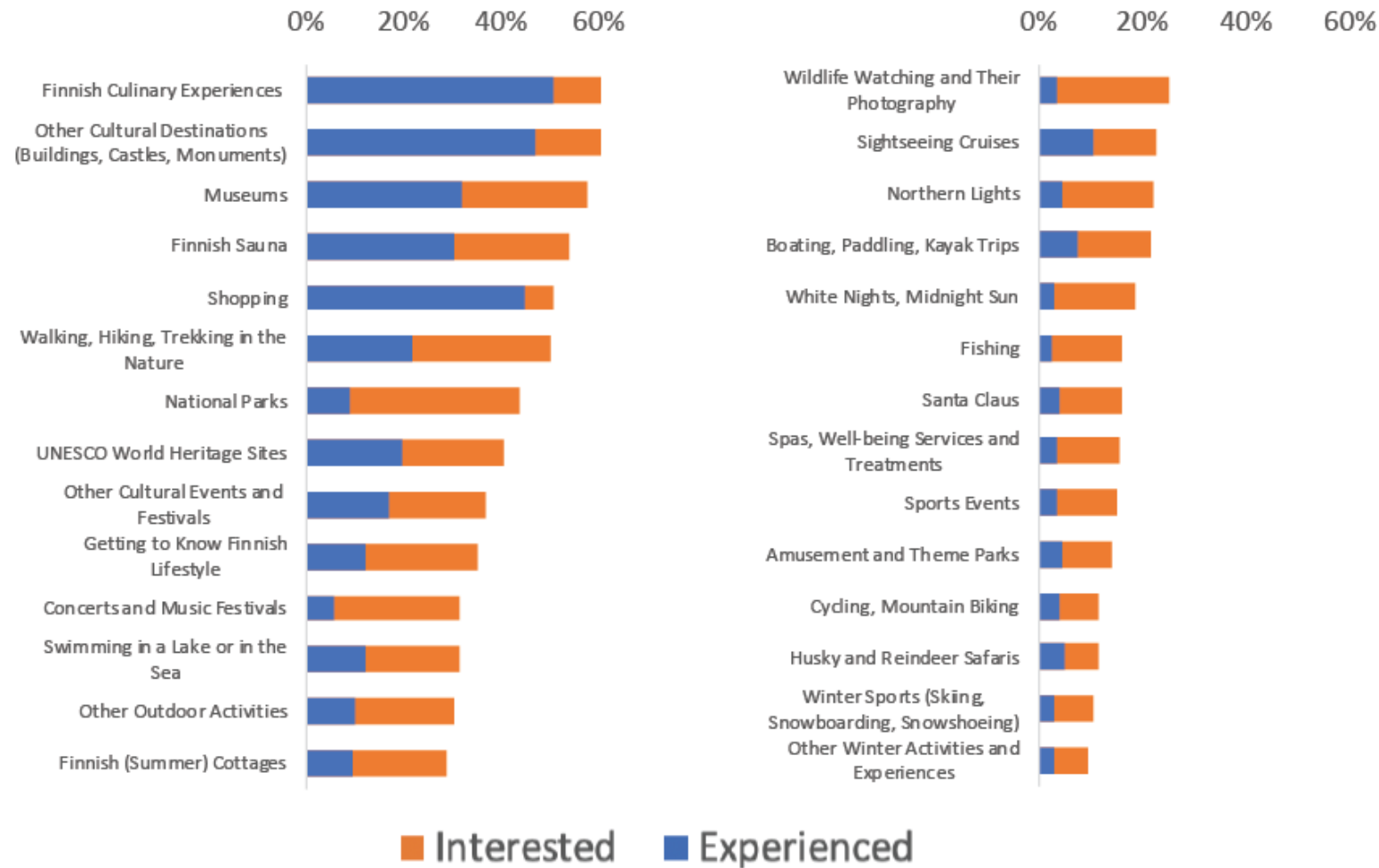
- The inspiration sources for trips to Denmark fit quite well with the general findings about the American travelers.
- Personal recommendations are very important, so are review websites, OTAs and destination websites.

Destination results: FINLAND

1. The activities of US travelers in Finland confirm on the one hand that they like cultural and nature activities with a certain level of immersion – this would fit well with other Nordic destinations as well. On the other hand, they are very interested in the unique experiences, such as Sauna and Finnish lifestyle
2. Finland is easy to combine with other destinations.
3. The Americans travelling to Finland are very attractive clients, who spend a lot of money.



Interest in Activities in Finland (All US Visitors)

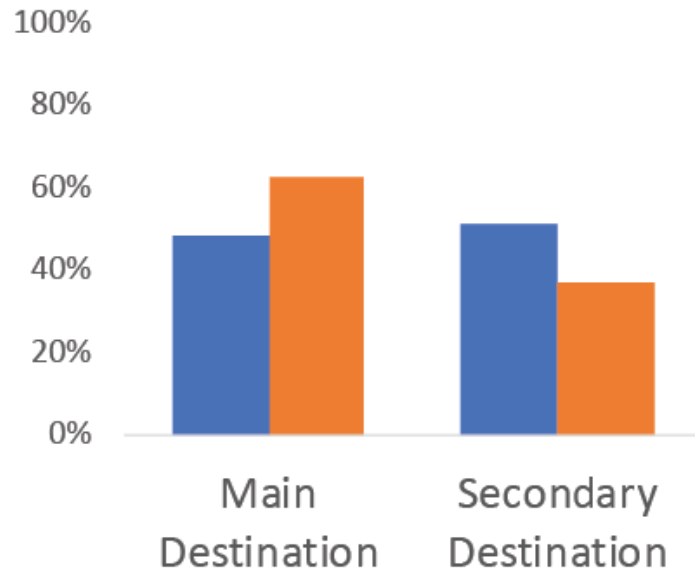


- Finnish culinary experiences, ‘traditional cultural destinations’, museums and Finnish sauna were among the most interesting attractions / activities for all the American visitors in Finland.
- The gap between the expressed interest and experiencing the activity was highest in experiencing national parks, walking in the nature, attending to a concert or a festival and visiting museums.

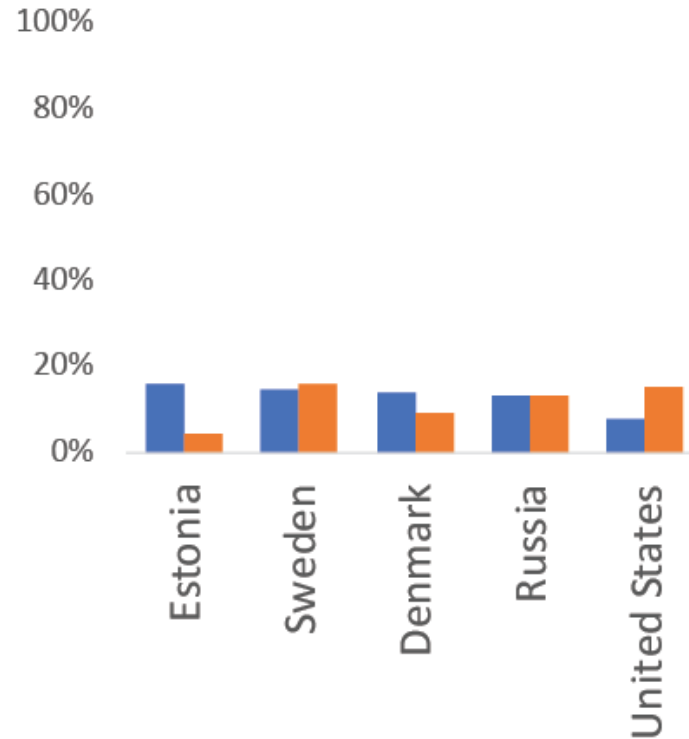
Visit Finland/TAK Research 2018: Market Review of the US Market Based on the Visit Finland Visitor Survey 2018

Finland alone or in combination?

Finland as the Main Destination



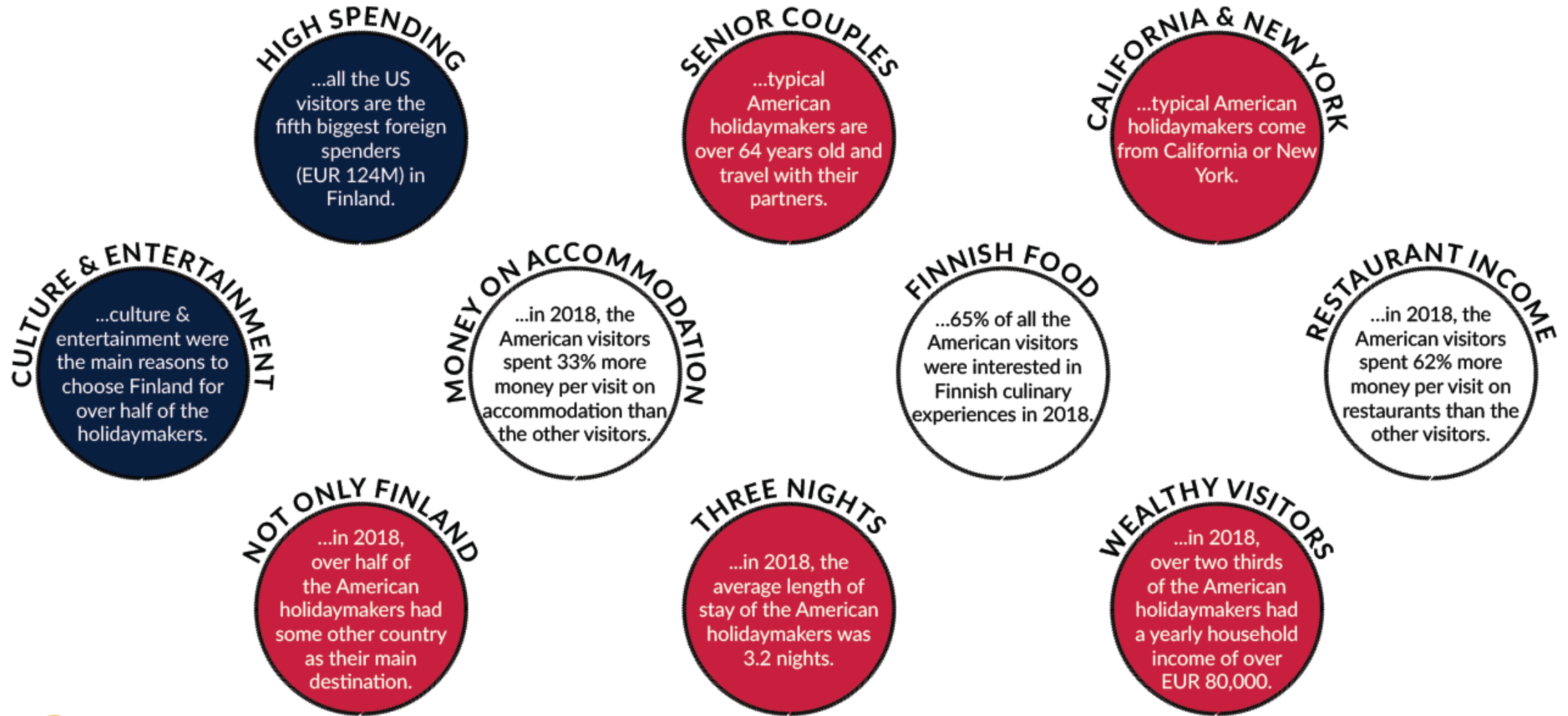
Top-5 Destinations When Departing from Finland



■ Holidaymakers ■ Others

- Finland was the main destination for almost half (49%) of the American holidaymakers.
- Only about eight percent of the American holidaymakers headed straight back to the US when departing from Finland.
- Estonia (16%), Sweden (15%) and Denmark (15%) were the most popular destinations for the holidaymakers departing from Finland.

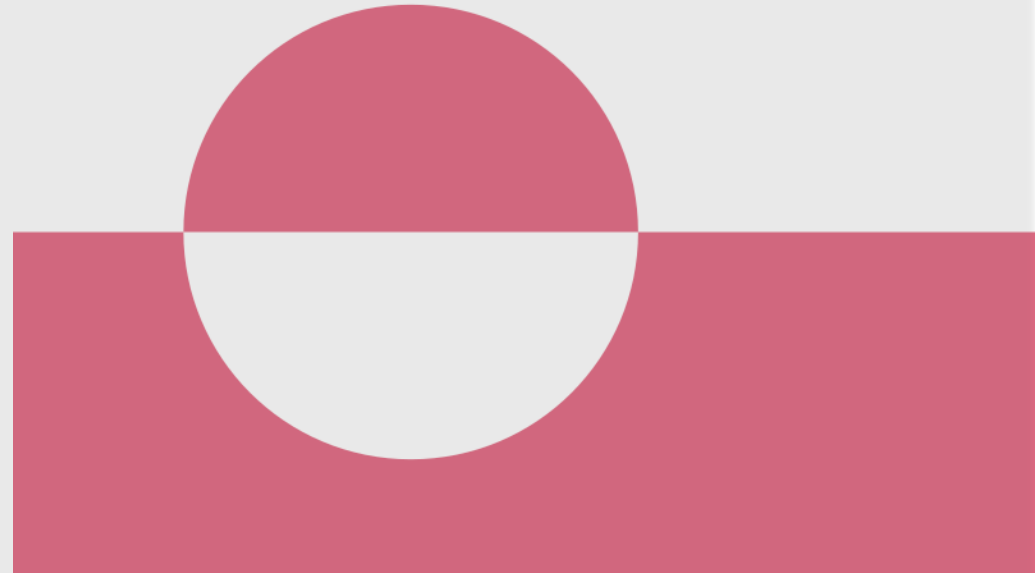
Key findings about US travelers to Finland



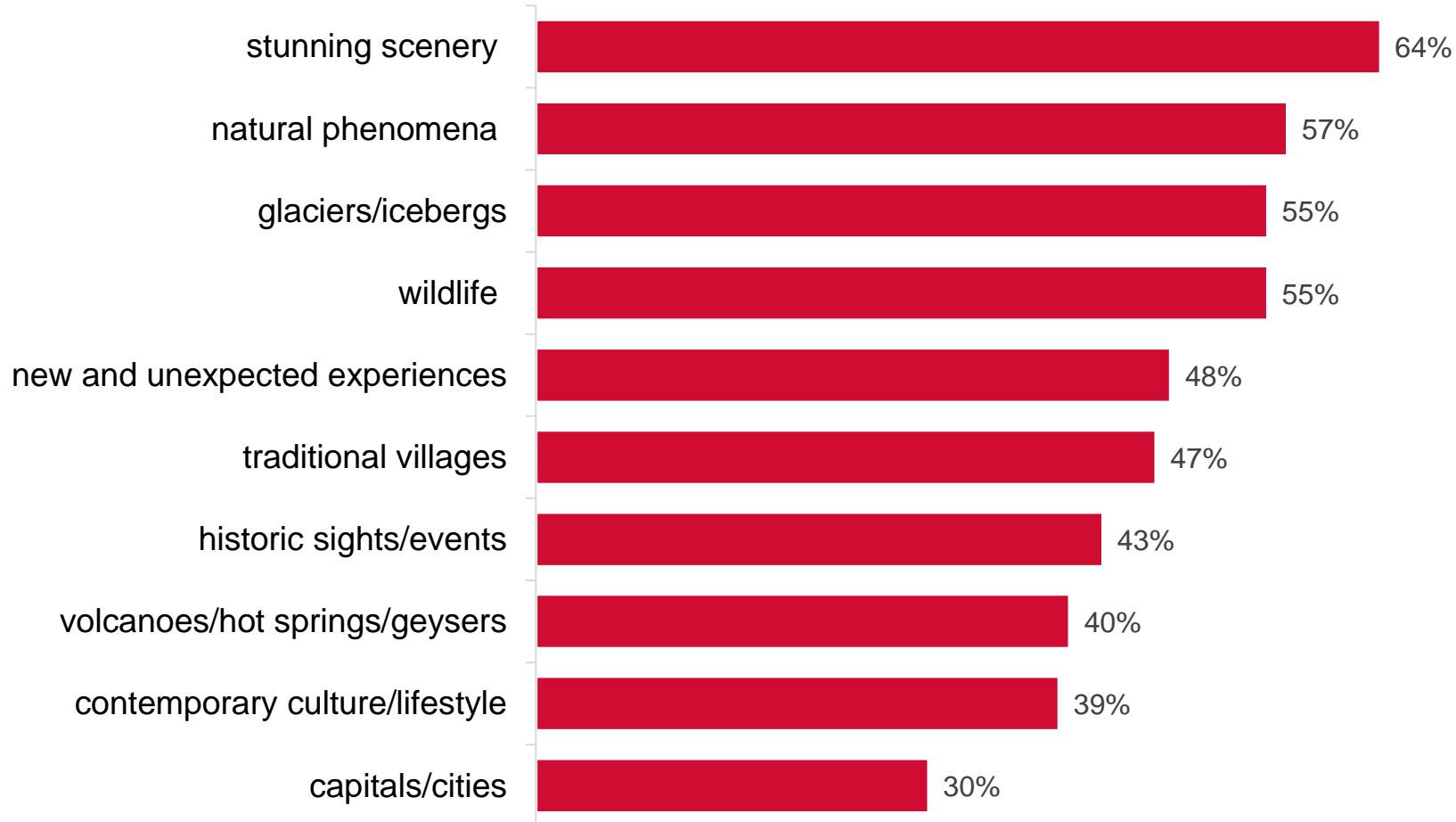
Visit Finland/TAK Research 2018: Market Review of the US Market Based on the Visit Finland Visitor Survey 2018

Destination results: GREENLAND

1. Americans like to travel to Greenland to see the stunning scenery, natural phenomena and glaciers/icebergs.
2. They want to do activities that allow them to experience the Greenlandic nature and culture.
3. The most promising segments are the Globetrotters and Ethnophiles (meaning there is a substantial interest in cultural immersion!)
4. There is also a big potential to combine Greenland with other Nordic countries.



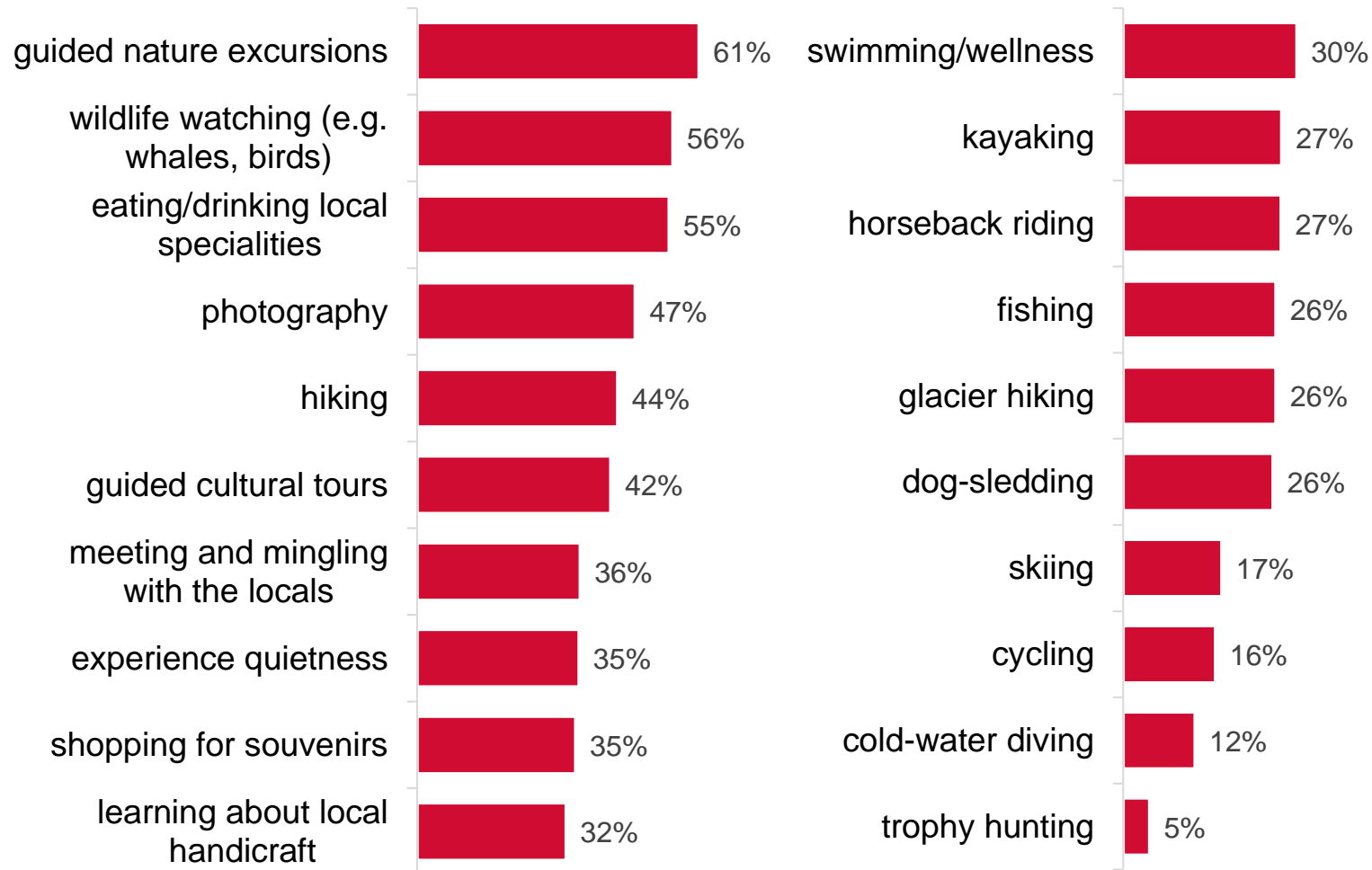
Preferred holiday experiences in Greenland



- For potential Greenland travelers in the US it is most important to experience the stunning scenery, natural phenomena and glaciers/icebergs.
- On average 4.8 of the 10 aspects are of interest for potential Greenland travelers in the US.

Visit Greenland study on the US market 2016 by NIT/Ipsos

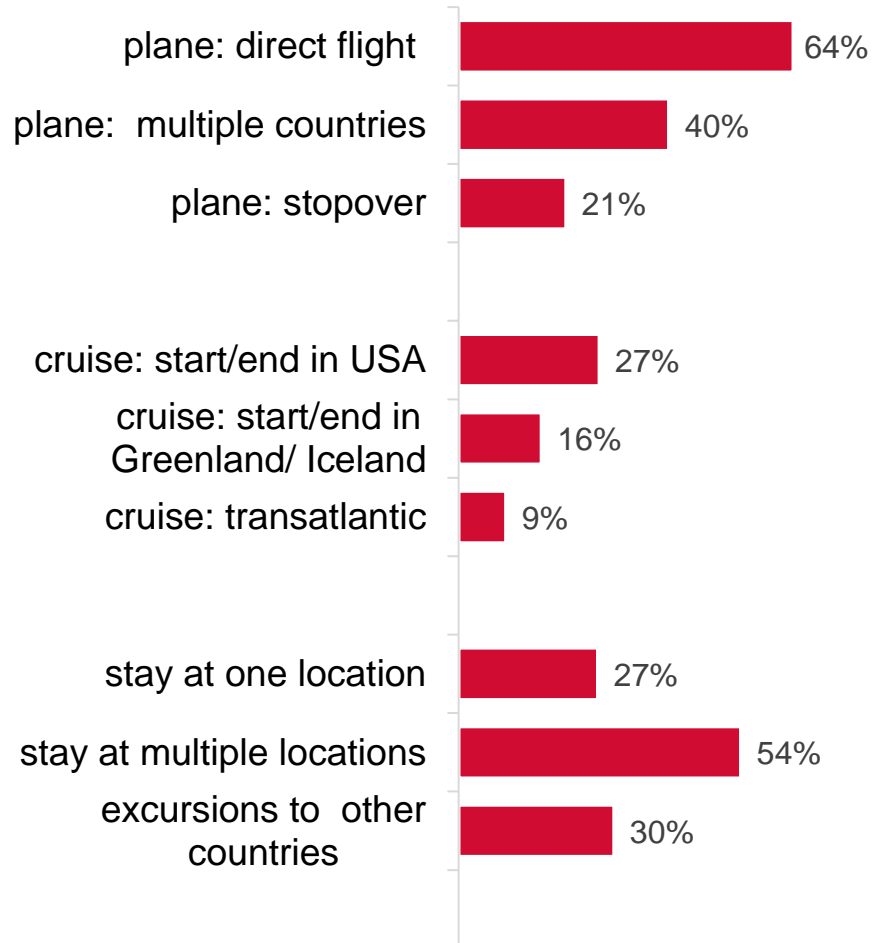
Preferred holiday activities in Greenland



- The most sought-after activities in Greenland by potential travelers from the US are guided nature excursions, wildlife watching, local culinary experiences and photography.
- Then follow a lot of activities with a share between 25% and 45%, a mix of nature experience and cultural experiences.

Visit Greenland study on the US market 2016 by NIT/Ipsos

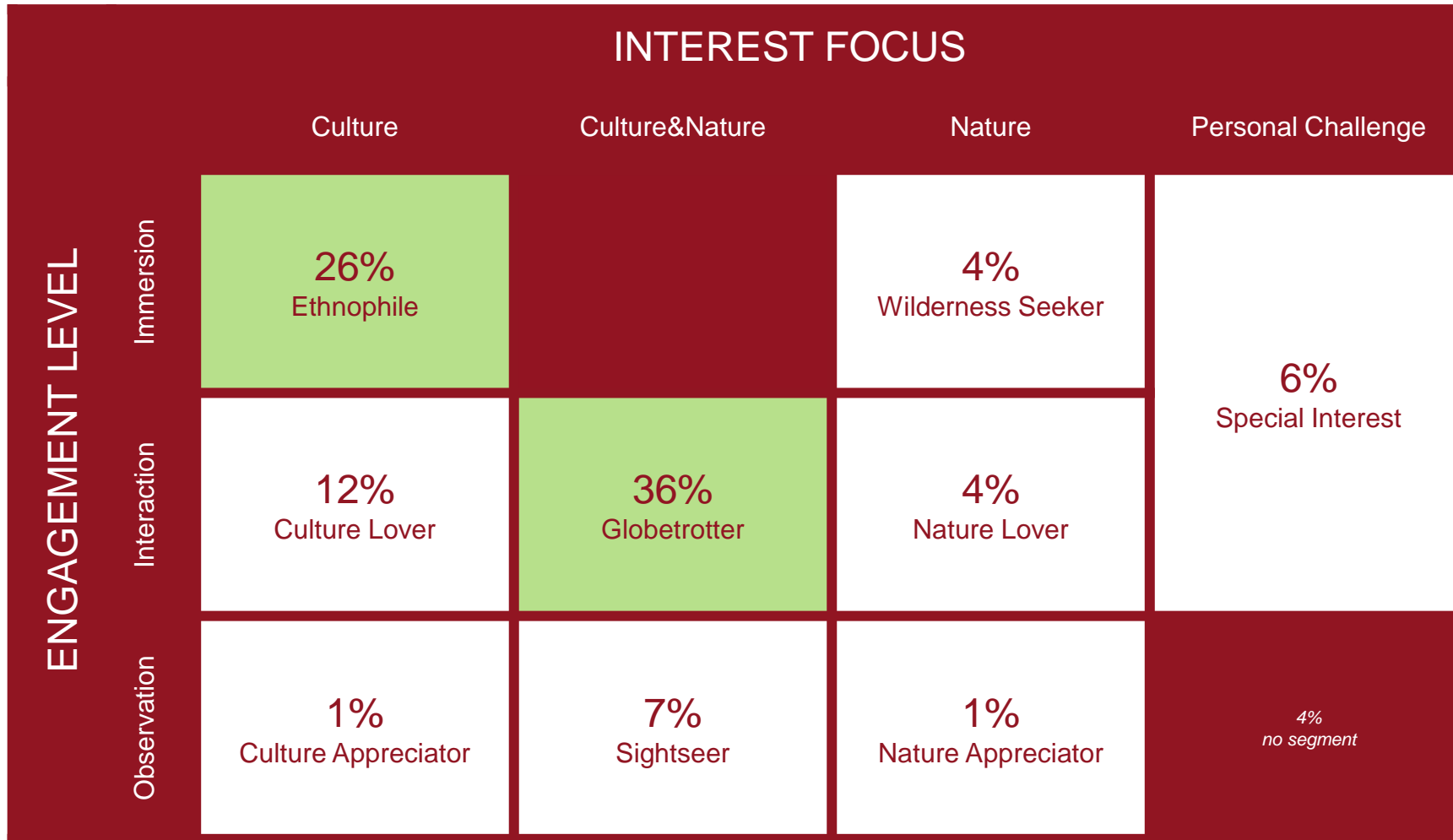
Preferred ways to travel & info sources in Greenland



- Most potential Greenland travelers in the US prefer direct flights to Greenland.
- But you can see that there is also a big potential of mixing Greenland with other countries.
- The preferred inspiration sources for trips to Greenland fit quite well with the general findings about the American travelers: Internet search engine, destination website, travel magazine, guide book.

Visit Greenland study on the US market 2016 by NIT/Ipsos

Visit Greenland segments (Greenland potential)

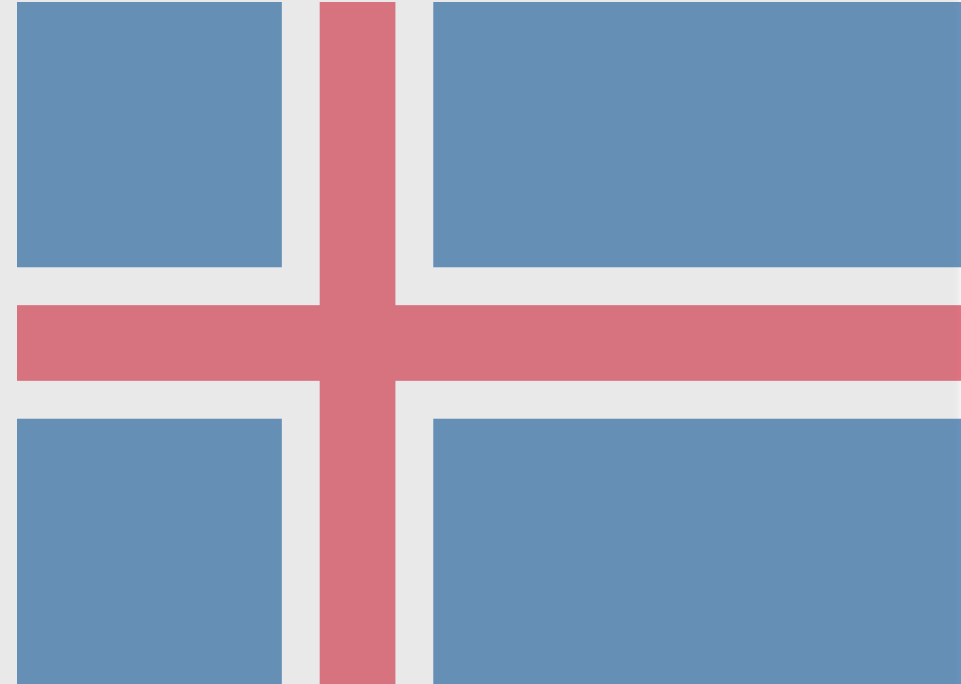


- This slide shows the distribution of the segments with all the persons within the US passport holders who are interested to travel to Greenland in the next 5 years.
- The biggest and most promising segments for Greenland on the US market are the Globetrotters and the Ethnophiles.
- Here you find in detail how the segmentation works and how the segments can be characterized: <https://traveltrade.visitgreenland.com/adventure-segments-in-greenland/>

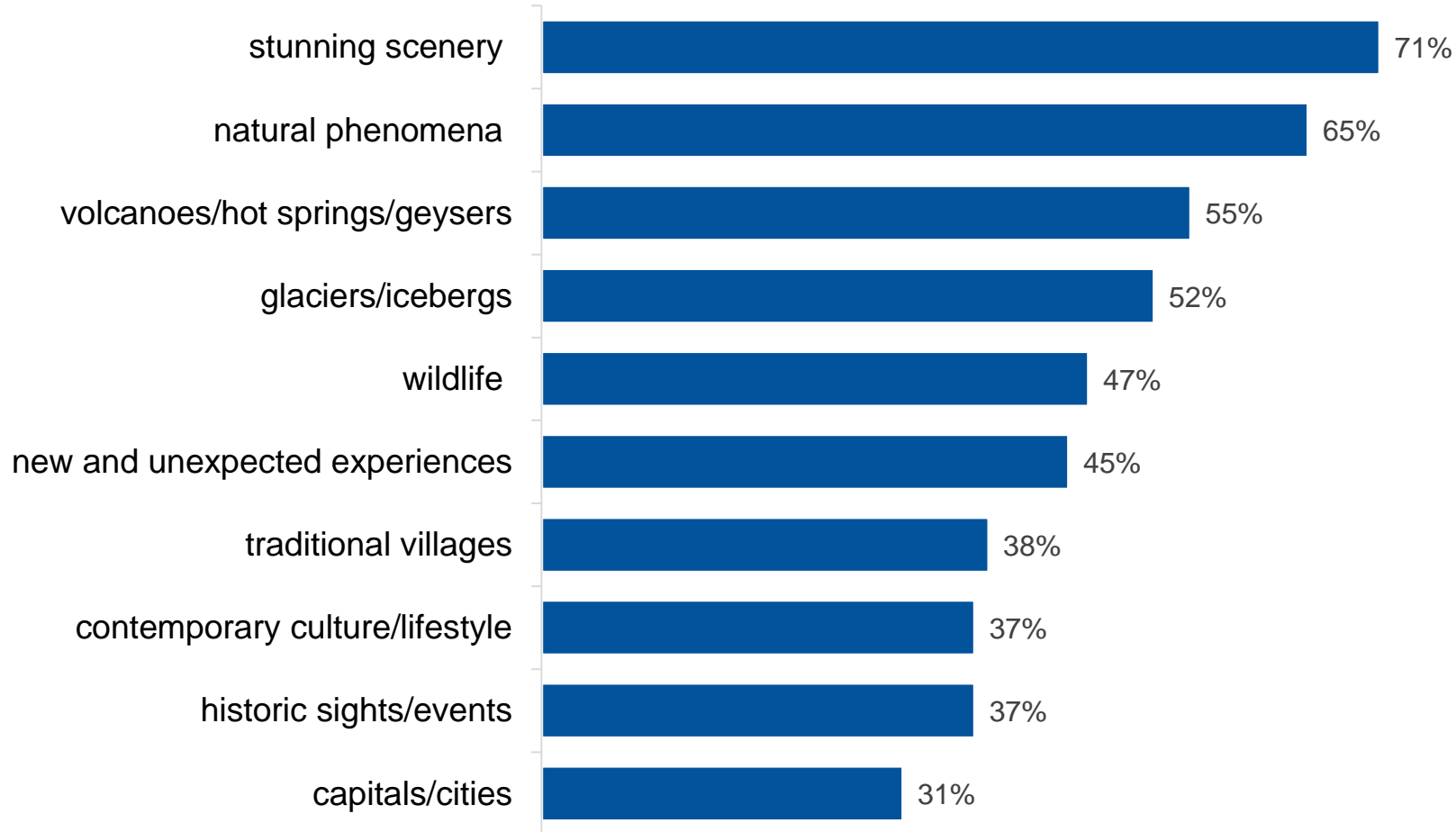
Visit Greenland study on the US market 2016 by NIT/Ipsos

Destination results: ICELAND

1. Americans like to travel to Iceland to see the stunning scenery, natural phenomena and volcanic attractions.
2. They want to do activities that allow them to experience the Icelandic nature and culture.
3. The most promising segments are the Globetrotters and Culture Lovers (meaning less interest in cultural immersion than in Greenland)
4. There is also a big potential to combine Iceland with other Nordic countries.



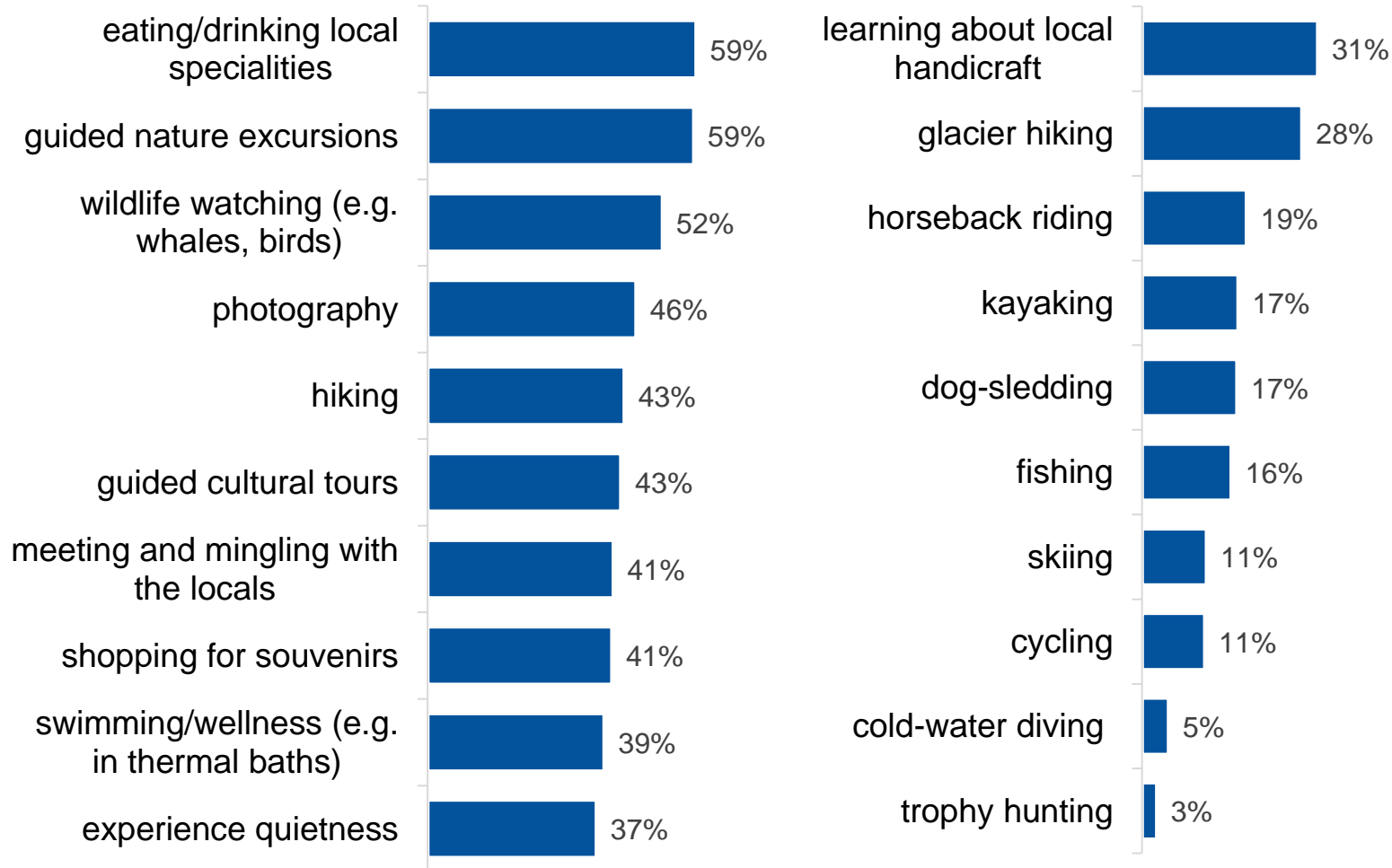
Preferred holiday experiences in Iceland



- For potential Iceland travelers in the US it is most important to experience the stunning scenery, natural phenomena and volcanic attractions.
- On average 4.8 of the 10 aspects are of interest for potential Iceland travelers in the US.

Visit Greenland study on the US market 2016 by NIT/Ipsos

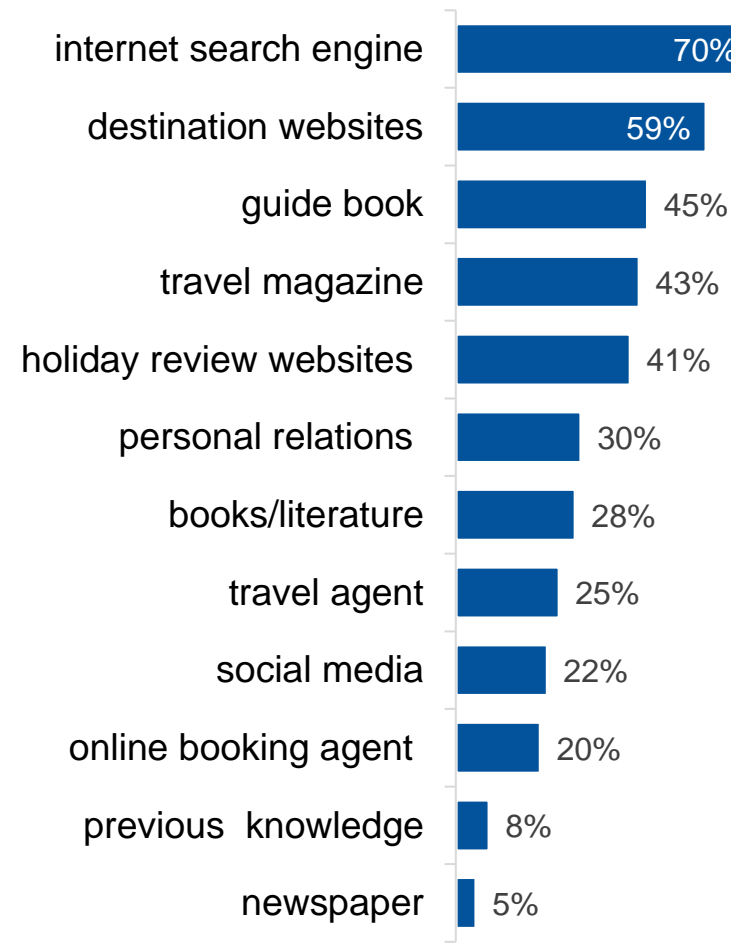
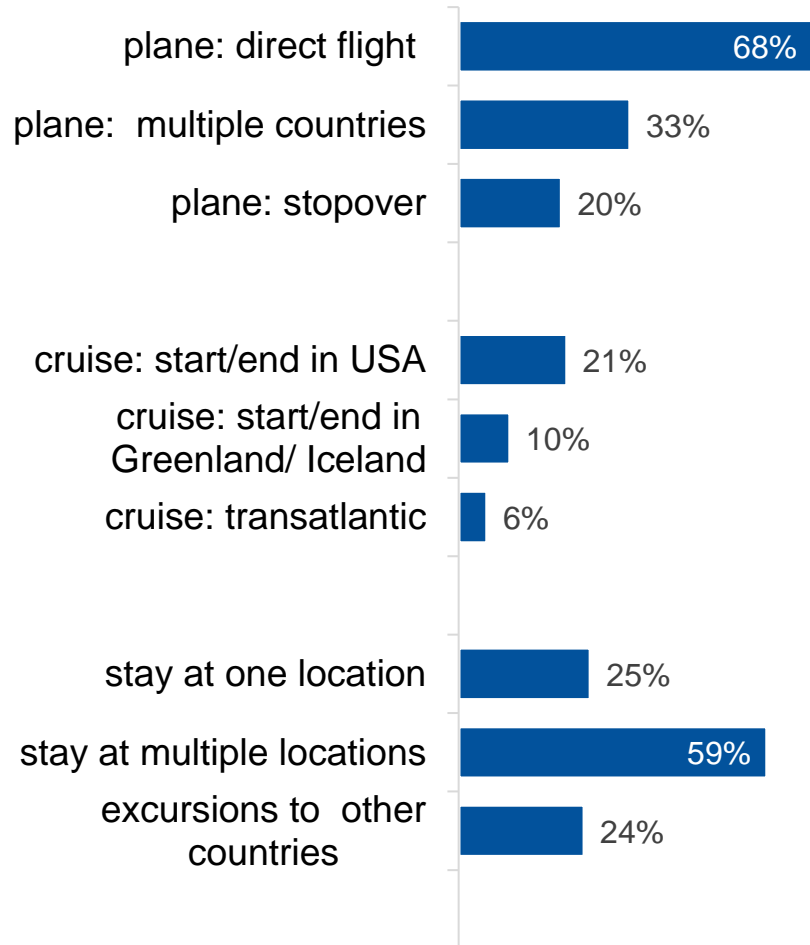
Preferred holiday activities in Iceland



- The most sought-after activities in Iceland by potential travelers from the US are local culinary experiences, guided nature excursions, Wildlife watching, and photography.
- Then follow a lot of activities with a share between 25% and 45%, a mix of nature experience and cultural experiences.

Visit Greenland study on the US market 2016 by NIT/Ipsos

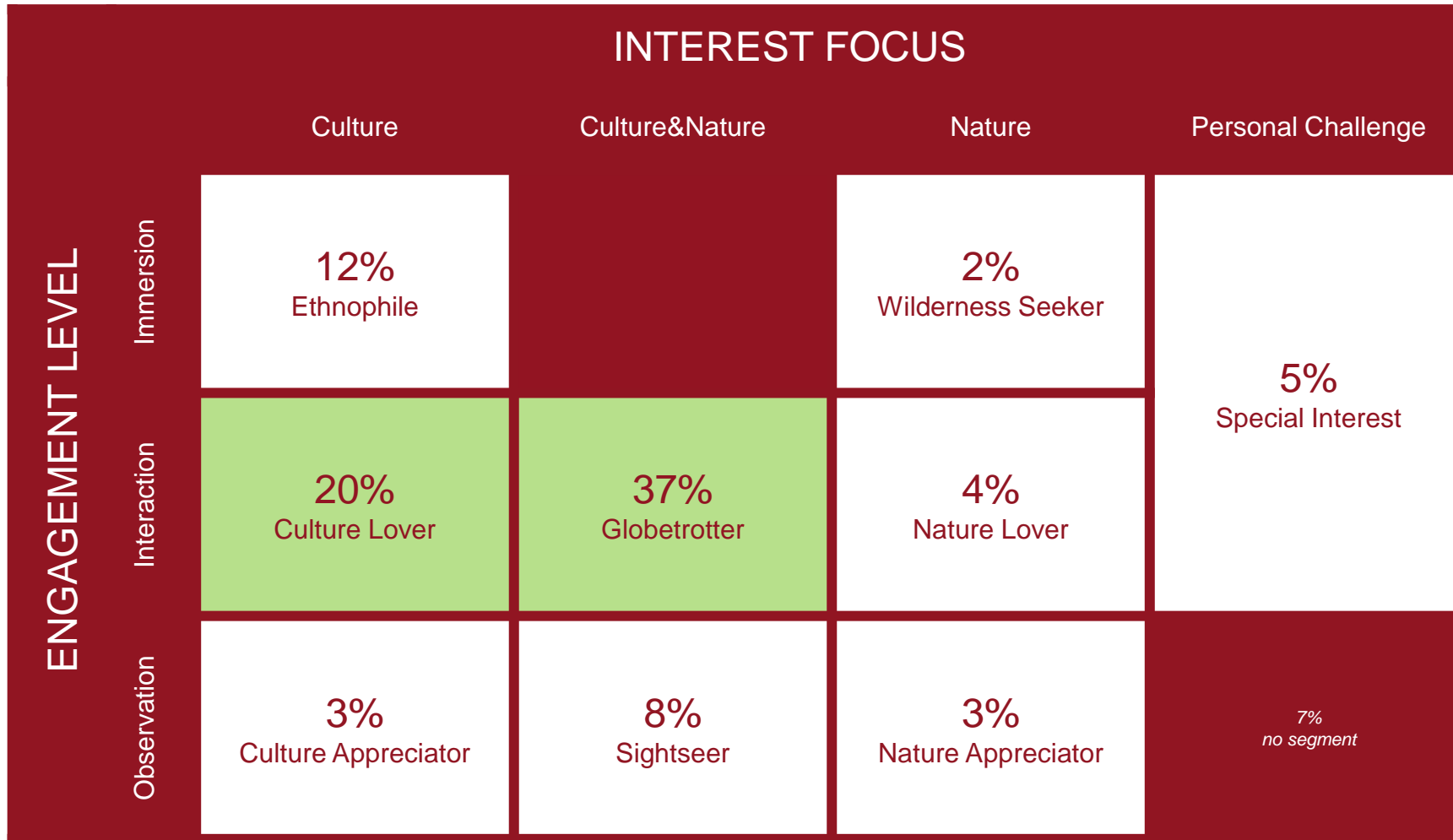
Preferred ways to travel & info sources in Greenland



- Most potential Greenland travelers in the US prefer direct flights to Iceland.
- But you can see that there is also a big potential of mixing Iceland with other countries.
- The preferred inspiration sources for trips to Iceland fit quite well with the general findings about the American travelers: Internet search engine, destination website, guide book, travel magazine, review websites

Visit Greenland study on the US market 2016 by NIT/Ipsos

Visit Greenland segments (Iceland potential)

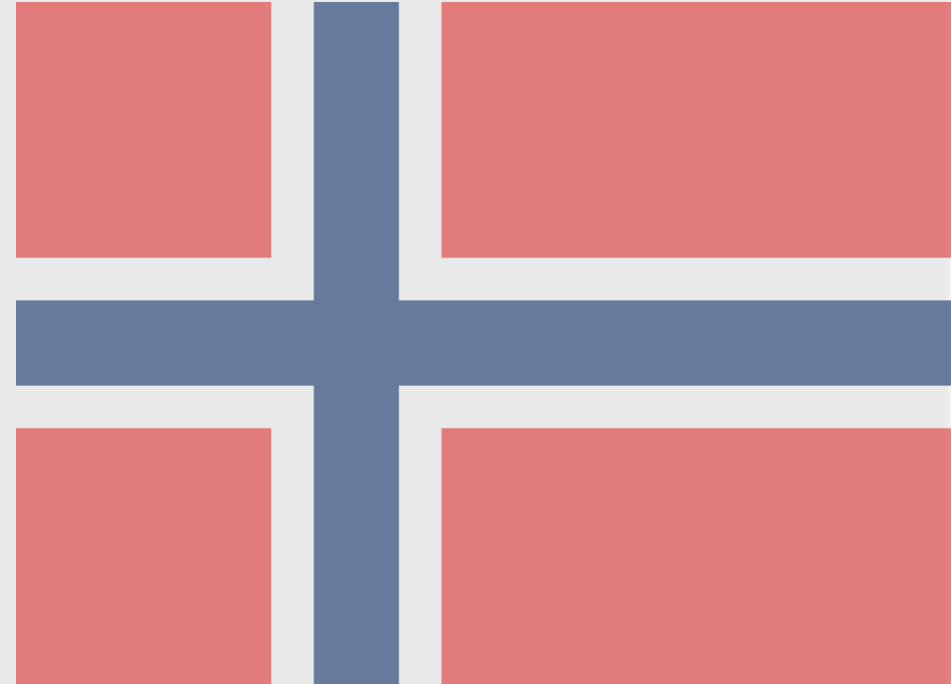


- This slide shows the distribution of the segments with all the persons within the US passport holders who are interested to travel to Iceland in the next 5 years.
- The biggest and most promising segments for Iceland on the US market are the Globetrotters and the Culture Lovers.
- Here you find in detail how the segmentation works and how the segments can be characterized: <https://traveltrade.visitgreenland.com/adventure-segments-in-greenland/>

Visit Greenland study on the US market 2016 by NIT/Ipsos

Destination results: NORWAY

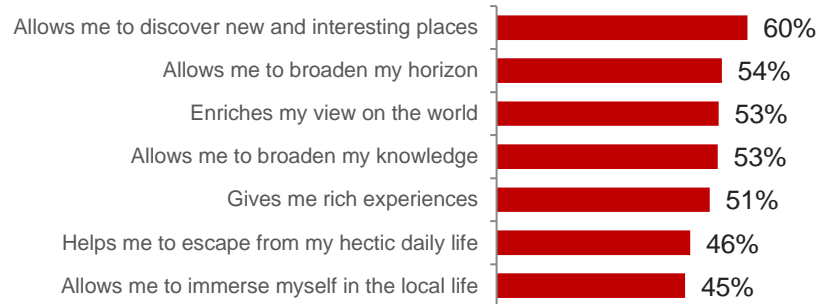
1. The top associations with Norway confirm the importance of beautiful nature and cultural sights which are interesting to know more about – all in a very safe environment.
2. Nevertheless, Norway also faces some negative perceptions, e.g. of being expensive and not too hospitable.
3. Looking at the segments that fit best with Norway's offer, we see obvious targets (like nature/adventure and cultural exploring) but also new possibilities (like social immersion and escape).



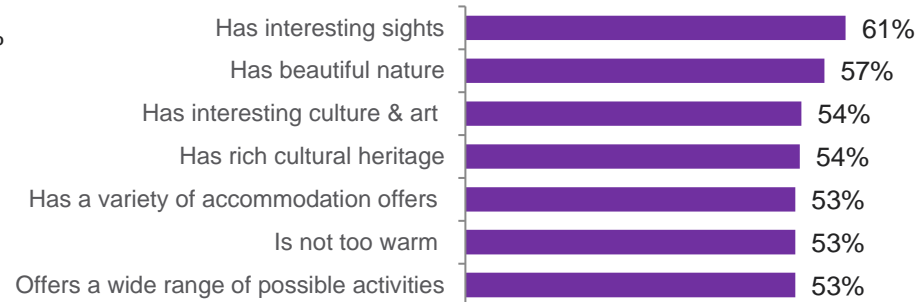
Top Associations with Norway



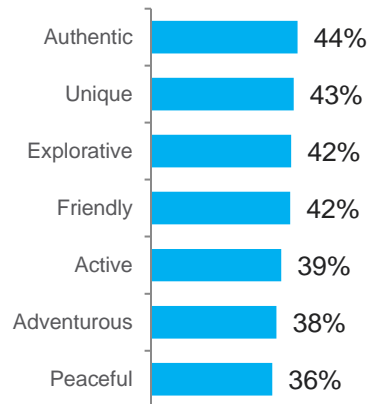
EMOTIONAL ASSOCIATIONS



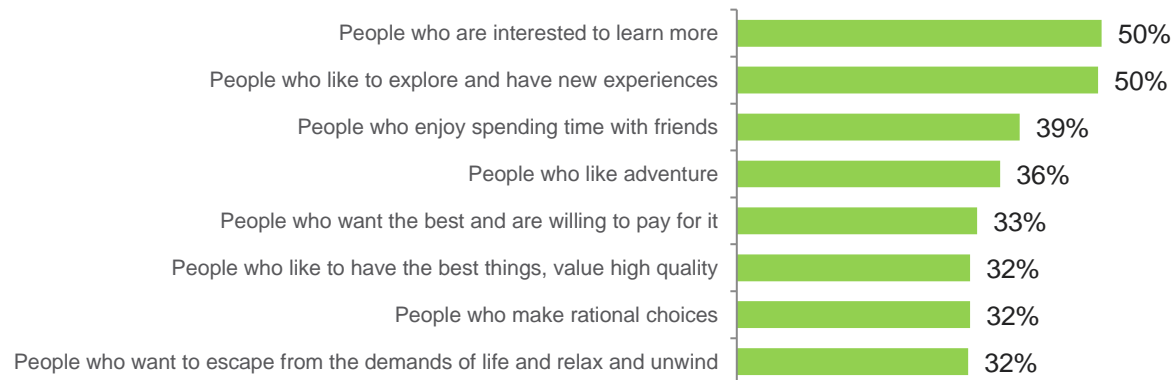
DESTINATION CHARACTERISTICS



BRAND PERSONALITY



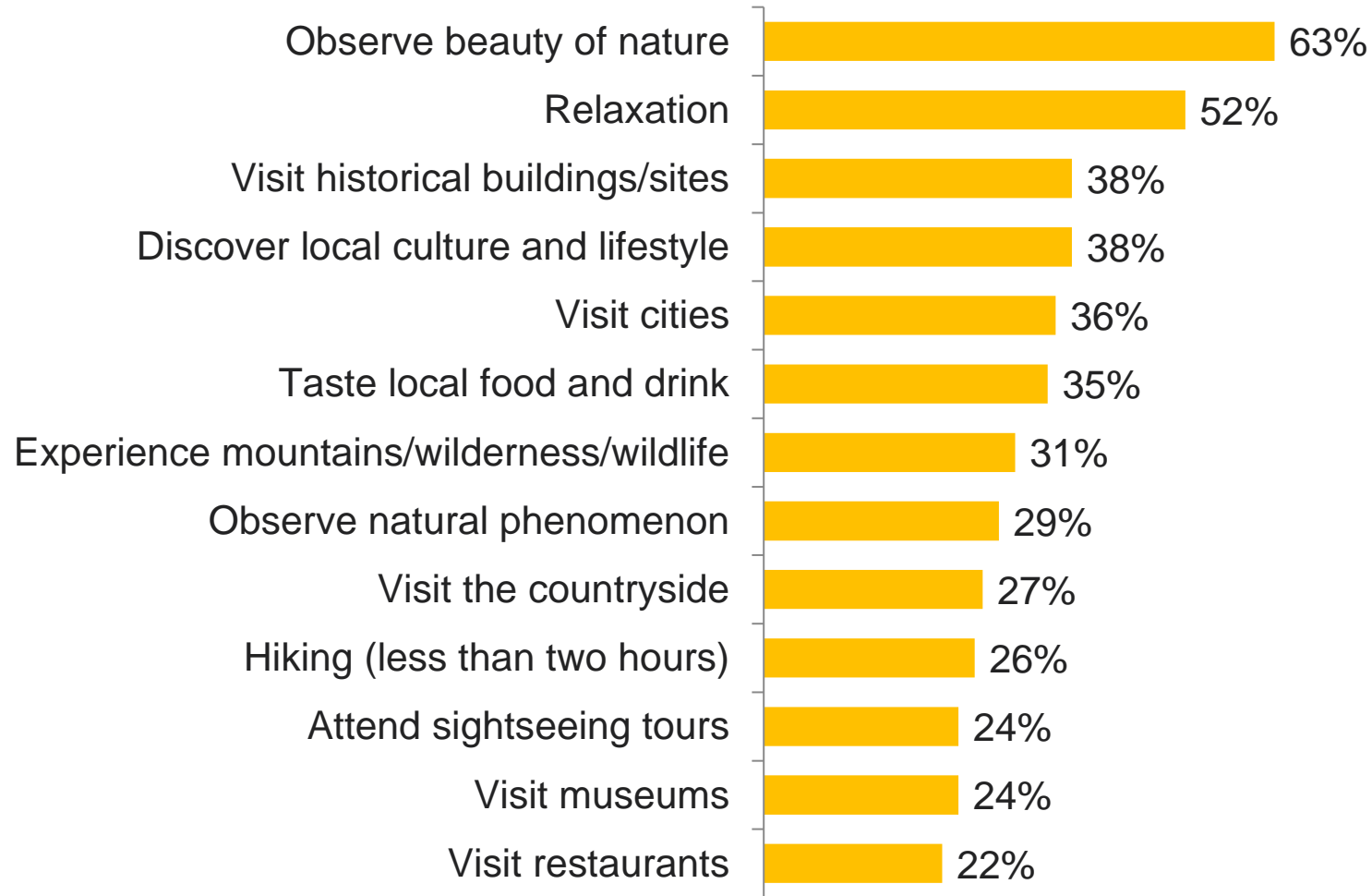
SOCIAL IDENTITY



- EMOTIONAL ASSOCIATIONS:** For US travelers, Norway is first and foremost a new and interesting place to discover.
- DESTINATION CHARACTERISTICS:** The US travelers are very clear on what differentiates Norway to other destinations: beautiful nature, unspoiled nature, quiet environments, good medical care and not too warm.
- BRAND PERSONALITY:** In the US, Norway has a quite slim brand personality. For the US traveler Norway is seen as the “PEACEFUL” destination compared to other destinations.
- SOCIAL IDENTITY:** Compared with other destinations, Norway is the destination for people who are interested to learn more. People who like to explore and have new experiences.

Innovation Norway 2017: Activating the Norway Brand, A report on holiday needs and segments in the US market

Activities during holidays to Norway



- Norway has a lot to offer
- Norway is used for a wide variety of holiday needs & activities

Innovation Norway 2017: Activating the Norway Brand, A report on holiday needs and segments in the US market



Strengths & weaknesses of Norway as a destination



Norway fails to meet some basic holiday expectations



Positioning of Norway on the US market



THE OBVIOUS TARGET



POSSIBLE ADDITIONS



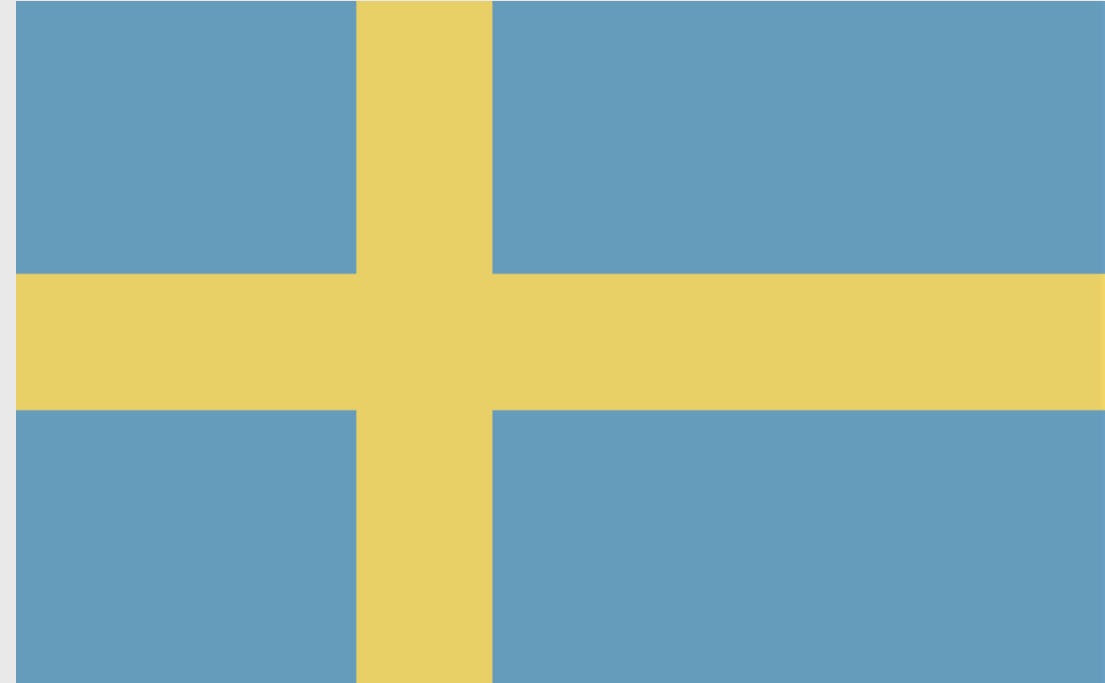
What should excite US travelers in addition to experiencing Norway's beautiful nature and culture, is meeting local people and immersion in local life. A sociable and friendly experience connecting with local people.



Norway's nature is a perfect place for US travelers to escape from their hectic daily life, pamper themselves and restore their sense of harmony and balance. A peaceful and harmonious place to revitalize themselves.

Destination results: SWEDEN

1. Key selling points for Sweden on the US market is Sweden as an interesting destination that offers a lot (nature and culture) that is worth knowing more about.
2. Enough time for exploring, fun and food are important aspects for a good holiday experience.
3. This also fits with the activities that should be put forward when selling Sweden in the US.



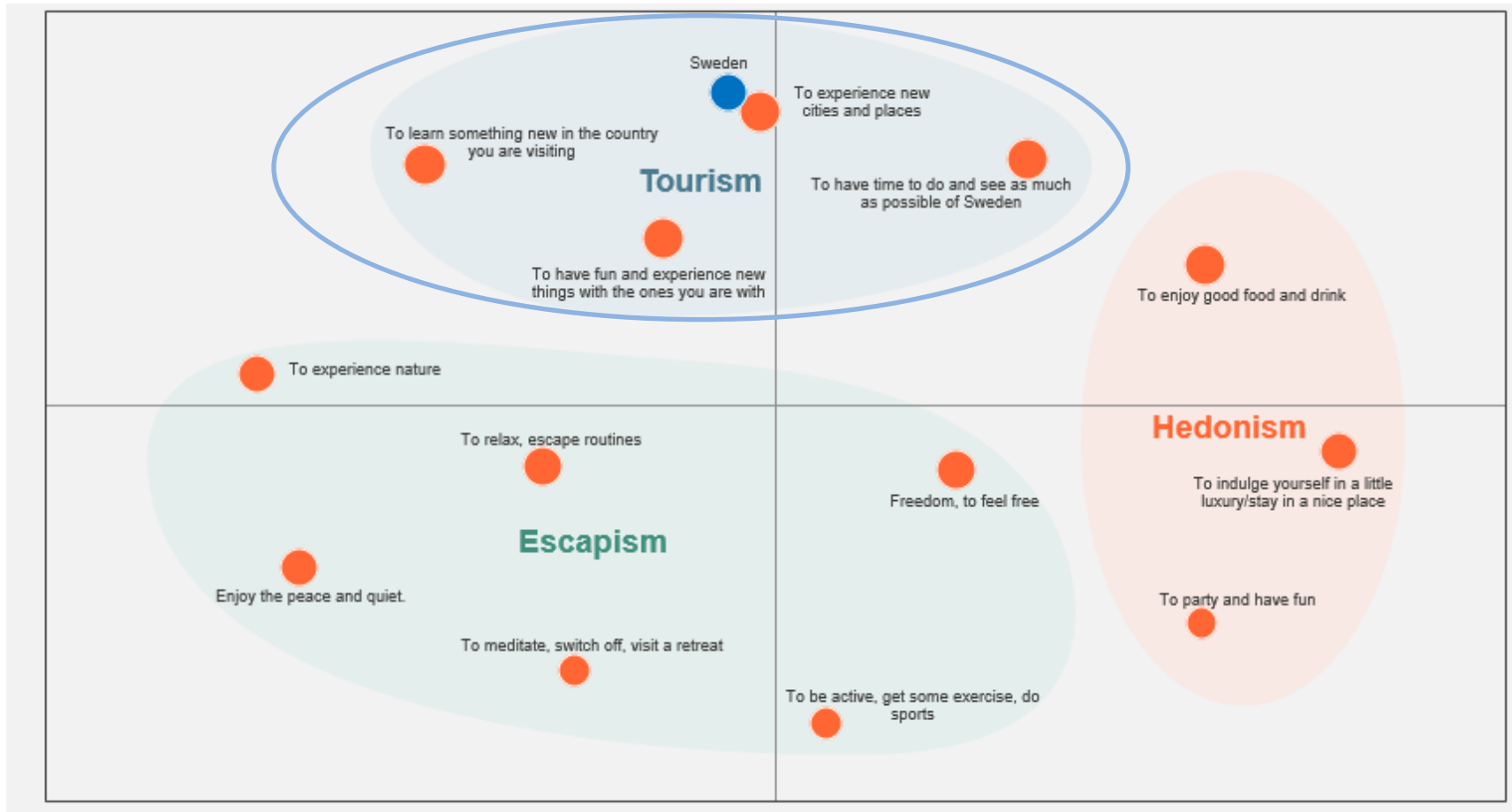
Key selling points of Sweden on the US market



- **Key selling points:** Learning something new and seeing as much as possible of the country indicates that the Americans, interested in visiting Sweden, are curious travelers and might not know that much about the country.
- **General travelling drivers:** Overall the American tourists see themselves enjoying good food and drink, having fun and experiencing Swedish cities as the main reasons for holidaying. However that does not automatically translate into an interest in visiting Sweden in particular, these are more general travel drivers for the US.
- **Opportunities:** Some people are interested in Nature and exercise activities, followed by switching off and partying/having fun. However, these are often smaller groups and not the focus right now.
- The box on the left, general drivers, also reminds you that you must not forget that they are on vacation. Which, regardless of other driving forces, is usually about having a good time, having fun, relaxing, eating well, etc. That is "being on vacation"!

Visit Sweden Target group analysis 2018, Visit Sweden/Nepa

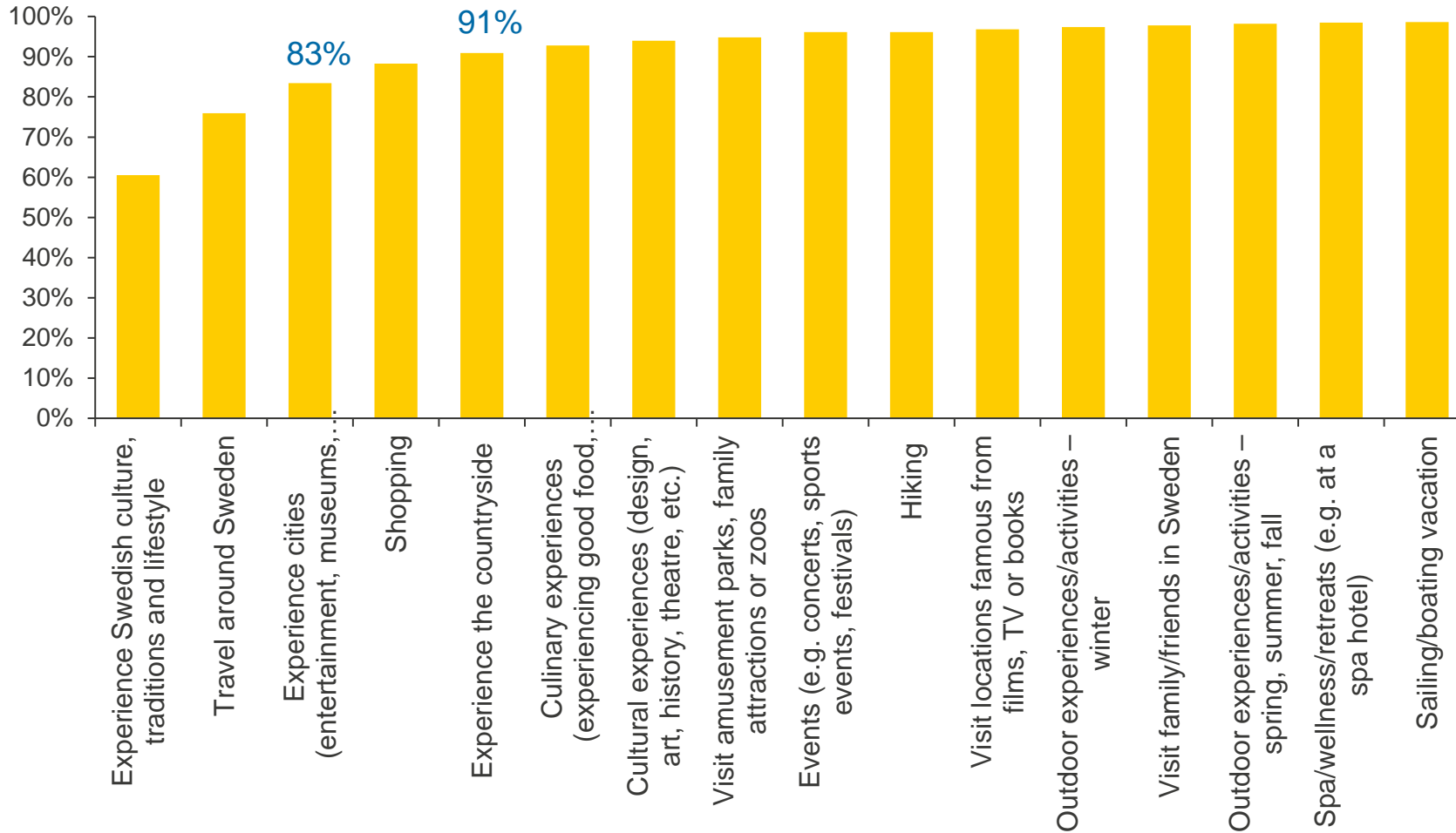
Destination positioning of Sweden on the US market



- The Global traveler in the US, Sweden is very much connected to classic tourism; experiencing new places and have time to learn about and to see the country and to have fun with your travel companions.
- Good food & drink and Nature experiences are also pretty strong associations.
- The least associated attributes are exercising, partying and enjoying the peace and quiet. That is, Americans do associate Sweden with an active holiday, but more in terms of “discovery”, than “sports”!

Visit Sweden Target group analysis 2018, Visit Sweden/Nepa

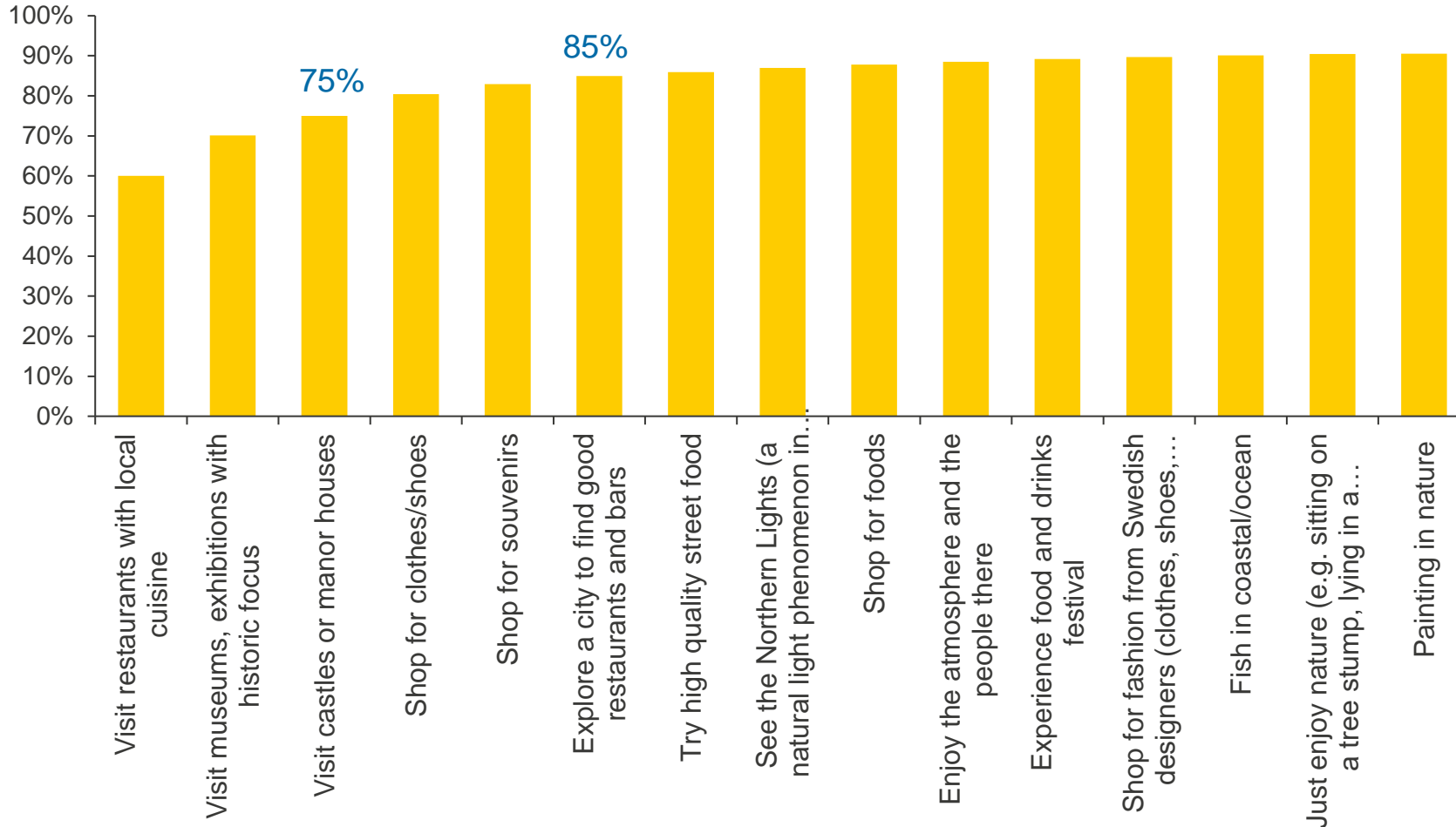
Preferred top-line activities in Sweden



- The chart shows the share of the population reached in total, by adding one more activity ...
- By focusing on the top three activities it is possible for 83% of American travelers to find something they would be interested in.
- Shopping and experiencing the countryside would increase that somewhat, but the marginal effect is decreasing.
- Instead, it might be more rewarding to look at possible bundles of activities focused around the top three.

Visit Sweden Target group analysis 2018, Visit Sweden/Nepa

Preferred specific activities in Sweden



- The chart shows the share of the population reached in total, by adding one more activity ...
- Looking at up to six different main areas of communication would help cover almost 85% turf, making communications relevant for as many as possible with as few activities as possible.
- Visiting restaurants, museums and other tourist attractions help cover the largest turf, while shopping for both clothes and souvenirs is also relevant.

Visit Sweden Target group analysis 2018, Visit Sweden/Nepa

Summary & Recommendations

1. The Nordics are currently doing great on the US market; this makes it a good time to sharpen the profile.
2. The Americans perceive the Nordics rather as one destination than as separate ones.
3. The desires and interests of the American travelers can be very well met by a communication and by products that combine more than one Nordic destination.
4. A common branding of the Nordics makes sense to compete on the US market against other destinations.
5. It is a good idea to focus on the target group of the immersive “Explorers”; for streamlining brand, communication and product.
6. When developing messages and products it is right to stress nature and lifestyle but do not forget about the cities and the cultural attractions. Do not overestimate the role of food as a decision factor for a destination.
7. Sustainability is widely accepted but not an important decision factor for the traveler. But: Findings from other countries show that when you include sustainability in your standards and offer more and more sustainable tourism products, the demand will follow fast.

Nordic destinations: Core values to transmit to the US market

Nordic Tourism Brand & Communications Platform*

- *The Nordic is a small but well known region in the world. Many have heard about people and companies from the Nordics but not so many have visited or even found a reason to travel here.*
- *Therefore, it is important that we clearly state what we stand for as a destination and what are core values are. They are ...*
 - **Open**
 - **Creative**
 - **Natural**
 - **Sustainable**
- *When we want to attract tourists to the Nordic region we always want the same voice to be heard. This is our Tone of Voice ...*
 - *Surprising*
 - *Fresh*
 - *Playful*
 - *Bold*

Findings & recommendations of this report

- Actually, the Nordics are already doing great on the US market. With 11% of all trips to Europe, they together play in the same league as Spain, growing very fast, especially in the last 5 years.
- The core values seem to fit well with what the American travelers expect in the Nordic destinations.
- Nevertheless, one should be careful not to transfer the values too directly into products and marketing messages. What the Americans want to experience in Europe and in the Nordic destinations is first of all classic sightseeing etc. with a growing tendency to immerse deeper into the life at the destination. Curiosity and genuine interest in the culture and nature seems to be a big driver of why to visit Europe. There seems to be a good time to mix the main sights with interesting experiences off the beaten track.
- When addressing the Americans one needs to be aware that they are relying a lot on personal recommendations, looking for good prices and trustworthy brands. Online is most important: For information destination websites are leading in front of airlines, accommodation and sights. For booking, airlines are leading in front of OTAs. Only few buy packages.

* Nordic Marketing Group: Concept paper of 27/10/2019

Nordic destinations: Target segments in the US market

Nordic Tourism Brand & Communications Platform*

- *Our target group is defined as “Explorers”*
- *When they travel, they want to clear/or broaden the mind and bring home new perspectives on ways of living, eating and creating.*
- *They travel a lot, all year around and they seek new, fresh options and destinations.*
- *When they travel, the “Explorer” wants to connect to the local culture, they want to meet locals, eat local food and face local traditions.*
- *Finally, they are respectful of nature, the environment and to live a sustainable life is important for them.*

Findings & recommendations of this report

- Looking at the different segmentation approaches displayed in this report, the “Explorers” as described on the left, are the one segment that stands out in all of the models – so it can be confirmed that this is a good choice.
- The description also fits well with the expectations and desires that the Americans have towards the Nordic destinations: They are generally looking for a combination of nature and culture, city and country with a genuine interest to immerse into local lifestyle and food, but they also want to experience the uniqueness of the whole area (e.g. Northern Lights) or of the single destinations (e.g. sauna in Finland, icebergs in Greenland, volcanoes/hot springs in Iceland).
- There also is a significant concern already about sustainable travel, which is likely to grow.
- Nevertheless, by concentrating on the “Explorers” one shall not forget that this focus also results in disregarding some big parts of the market (e.g. “Observers” who are the classical cruise and package tourists).

* Nordic Marketing Group: Concept paper of 27/10/2019

Nordic destinations: Strategic Advantages in the US market

Nordic Tourism Brand & Communications Platform*

- *When we communicate the Nordic brand, it is essential we focus on areas where we, as a region, are competitively strong and that develop target group interest.*
- *We have chosen three different areas:*
 - **Nature**
 - **People/Lifestyle**
 - **Food**
- *In order to stand out from competition we want to differentiate ourselves by Creativity. Examples:*
 - *Creative Nature – Humans interact with nature, learns from nature, eat what you can find in nature. Nordic Nature is never just a beautiful background.*
 - *Creative Lifestyle – Always a will to improve. Find new ways to live. Testing new techniques and lifestyles.*
 - *Creative Food – Always new dimensions. Testing new trends. Finding new ingredients and way of cooking. Nordic Cuisine is something else!*

Findings & recommendations of this report

- The findings of this report confirm that the topics nature, people/lifestyle and food fit well with what the Americans expect in the Nordic destinations.
- For branding and differentiation purposes, it seems correct to focus on these aspects, as here the Nordics can score big points against destinations in central or southern Europe, where culture is always put in the front line of communication.
- On the other hand you have to be very aware that most of the American travelers to the Nordic destinations first and foremost travel into the Nordic capitals and experience city sights and shopping – this needs to be an integrated part of almost every trip to the Nordic destinations.
- Also, there is often a tendency to overestimate the food topic. While food is the first and easiest step to immerse into local life and culture, it is usually not a reason for people to choose a destination – It can rather spice up a good product that consists of experiencing natural and cultural sights with a touch of local lifestyle.

* Nordic Marketing Group: Concept paper of 27/10/2019

Nordic destinations: Vision & Position in the US market

Nordic Tourism Brand & Communications Platform*

- *We see New Zealand, Switzerland, Alaska, Canada, the Netherlands, Japan and Patagonia as the main competitors to the Nordics as a destination.*
- *We want to stand out from competition. In order to take a competitive position that is long-term (and that harmonizes with our core values, our assets and the interest of the consumers), we have chosen a sharp position.*
- *Our brand promise and our position for the Nordic Tourism brand is “**Human Nature Moments**”. This is what our “Explorers” will strive to be part of and what will make them travel to the Nordics.*
- *Nordic Nature is not only spectacular and breath taking. It does not greet the visitor with the highest waterfalls. What we offer is “**MOMENTS in the HUMAN NATURE**”.*
 - *You cook over an open fire together with locals in the forest of Rovaniemi*
 - *You go for a swim in the middle of the night downtown Copenhagen – no one sees you*
 - *You take the tram to Holmenkollen for a day of skiing – in urban nature*

Findings & recommendations of this report

- Obviously, the Nordic destinations have an overlapping customer base – this means on the one hand that it is a good idea to combine offers for the US market, on the other hand this means that, of course, the Nordic destinations are also in competition with each other.
- The main competitors of the Nordic destinations on the US market are within Europe (e.g. Scotland, Switzerland, Austria) but also around the globe (e.g. Canada, Alaska, New Zealand, South Africa).
- The comparison of the images of the Nordic destinations on the US markets show a lot of similarities with some ideas for differentiation of each destination. This again confirms that a lot of the Americans see the Nordics rather as ONE destination and not so much as separate countries.
- The “Human Nature Moments” idea should work well on the US market, but here again do not forget that most Americans travel to the cities and are looking also for culture and shopping.

* Nordic Marketing Group: Concept paper of 27/10/2019



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ANNEX: Practical recommendations by single reports

Market and Trade Profile: USA

USA – August 2019

VisitBritain

The infographic features a central map of the United States. Surrounding the map is a circular arrangement of five icons: a laptop (top), a camera (top-right), a train (bottom-right), a suitcase (bottom), and a red icon with a white arrow (left). A dashed red line connects these icons in a circle. The VisitBritain logo is positioned at the top right of the infographic.

ANNEX A: Practical recommendations by Visit Britain 2019

https://www.visitbritain.org/sites/default/files/vb-corporate/markets/visitbritain_market_profile_usa_2019.pdf



4.2 Travel trade: general overview

The travel trade structure in the US is made up of tour operators, online travel agents (OTAs) and front-line retail travel agents:

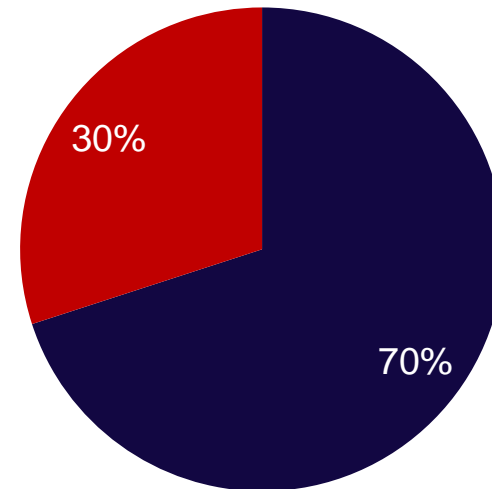
- Tour operators: this category covers escorted tours, FITs and 'Special Interest' (which can incorporate both niche interests, such as antiques, gardening tours through to University Alumni large escorted group tours).
- Retail travel agents: this category covers independent and / or home based agents, consortia co-ops and franchise networks.
- Online travel agents: this category is dominated by Expedia and The Priceline Group with many subsidiaries being searched by the consumer, such as Priceline, Travelocity, Booking.com, Hotels.com and Kayak.

It is a relatively complex mix as operators can sell consumer-direct or via travel agents; whilst travel agents compete head to head with OTAs mainly on air and accommodation and yet offer a more detailed and tailored service for those consumers wishing to book a more complex trip.



4.2 Travel trade: general overview

- American travellers seek 'off the beaten track' and authentic experiences. Even in more standard packages, consumers are looking for experiential moments that go beyond the ordinary tourist experience and create a sense of place.
- Other growth areas in the American travel market include culinary tourism and 'soft adventure', which covers a wide spectrum of activities that are low risk and require little or no experience.
- Many US outbound travel audiences are 50+ but the multi-generational and Millennial travel segments are growing. Millennials are mostly interested in FIT packages.
- There is a recognition among the US trade of the need to diversify with new experiences and destinations. However, the trade are consumer-data driven and unlikely to develop new product / packages unless there is proven consumer demand.
- Seven out of ten American visitors to Britain book their travel and accommodation together.



- Booked travel & accommodation together
- Booked travel & accommodation separately

Source: VisitBritain/IPSOS 2016



4.2 Travel trade: practical information

General practical information

- Standard business hours are Monday to Friday, 9am-5pm local time. Note that many businesses will close early on the day prior to a major public holiday.
- The US operates on 4 time zones; Eastern Standard Time (EST), Central Standard Time (CST), Mountain Standard Time (MST) and Pacific Standard Time (PST). They are respectively 5, 6, 7 and 8 hours behind GMT.
- When making appointments it is best to avoid Monday mornings and Friday afternoons. It is also recommended to check dates for major Christian & Jewish Holidays as this can affect attendance at events and/or meetings.
- Direct eye contact is important and in most situations you can call people by their first names. However, in formal circumstances, you may want to use titles and surnames as a courtesy until you are invited to move to a first name basis, which will happen quickly. Business cards are exchanged without formal ritual.
- Americans tend to speak clearly and in a straightforward manner. Your own business delivery should be polite and yet mirror the US expectations displayed during the meeting. Do research on the company and be knowledgeable of what travel agency consortia they may prefer. Identify the opportunity for business and discuss the point in hand and if follow-up is required this should be done in a timely fashion and within a 24-hour turnaround period.
- 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. Lead time with tour operators varies from 6 months to 2 years to see a new product become available for purchase.
- UK suppliers can also sell through a representative in the US. This is an effective method and normally the most costly means of selling your product overseas.



4.2 Travel trade: Planning cycle

Planning cycle

- 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.
- Generally speaking, we suggest a minimum of 2 years lead time for an escorted operator to get new product 'on the shelf' and out to the consumer or travel agent.
- Alternatively, FIT/independent travel product can be more flexible and allow for shorter lead time (6 months to 1 year) for integration into their existing business model. Operators will need time for planning, sourcing product, costing and pricing. Be prepared to consider offering co-operative marketing dollars to support the marketing necessary to promote this new product.
- For the most part, contracting for the following year can start any time from the fall (World Travel Market) through until June.
- Brochure production time is mainly September/October in order to release "Early Bird" special offers, in the fall, for promotion for the following season.
- Although the planning cycle is shared here, some independent operators will develop product at various times throughout the year as many no longer publish printed brochures. This allows more flexibility with developing and promoting new offers online.



4.2 Travel trade: hospitality etiquette

Meeting etiquette

- Plan your travel schedule in advance. In major US cities where traffic is heavy, it is recommended to double the estimated travel time just to be safe.
- Arrive on time, call ahead if running late.
- Be prepared with your objectives you wish to accomplish from a face to face meeting.
- If you arrive unprepared, remember there is probably another product supplier hot on your heels and next in line. At certain key contracting times, it is not uncommon for VisitBritain to know of 3+ British suppliers to be in a city at any one time, all undertaking independent sales calls to the same tour operators / travel agents.

Hospitality etiquette

- When hosting a US client for dinner or drinks you should be prepared for the check (bill) to arrive either inclusive-of or subject-to a gratuity. This can vary from 18 to 20% dependent on the service. It is not advisable to dismiss the addition of a gratuity as it is common practice, and an expectation in the US service industry, and you would embarrass a US client if you did not make the gratuity addition.
- A hosted client may stay for the minimum time it takes to dine and conduct a business discussion but do not be surprised if they make their excuses to leave after that point. Unlike many British people whom may extend the evening to get better acquainted and have access to good public transport in all cities, Americans may have to drive home or travel long distances and so time can be precious.



4.3 Caring for the consumer

Accommodation

- As many will arrive in Britain on overnight flights from the US consideration for early check-in at hotels/accommodation is always appreciated. If you are their first port of call from the airport, try and arrange for some form of hospitality and services when they arrive, especially if their accommodation is not ready. This mainly applies to business visitors and those on upscale FIT trips.
- Americans are used to larger rooms than are generally found in Britain and, without exception, to having private bathroom facilities. Americans view accommodation as an important part of the travel experience. They will put a premium on staying at a historic/grand property or a hotel that reflects the local culture.
- The majority of Americans will want to stay in a 3-star plus property in a good/central location. They are used to larger beds.

- Health and wellness is trending in the USA. More Americans are looking for destinations that cater to that interest (e.g. yoga, meditation, spa, staying active).

Language

- The old adage “Two nations separated by one common language” holds true to a certain extent. American English does differ in many common words, and Americans find the British accent very interesting. This may cause confusion and yet at the same time serve as an ice-breaker for visitors and locals alike! It forms part of the charm and intrigue that Americans appreciate about Britain and adds to the authenticity of the travel experience.
- According to the Central Intelligence Agency 78% of Americans first language is English. Spanish is spoken in 13% of households in the US

Source: CIA Worldfactbook 2017

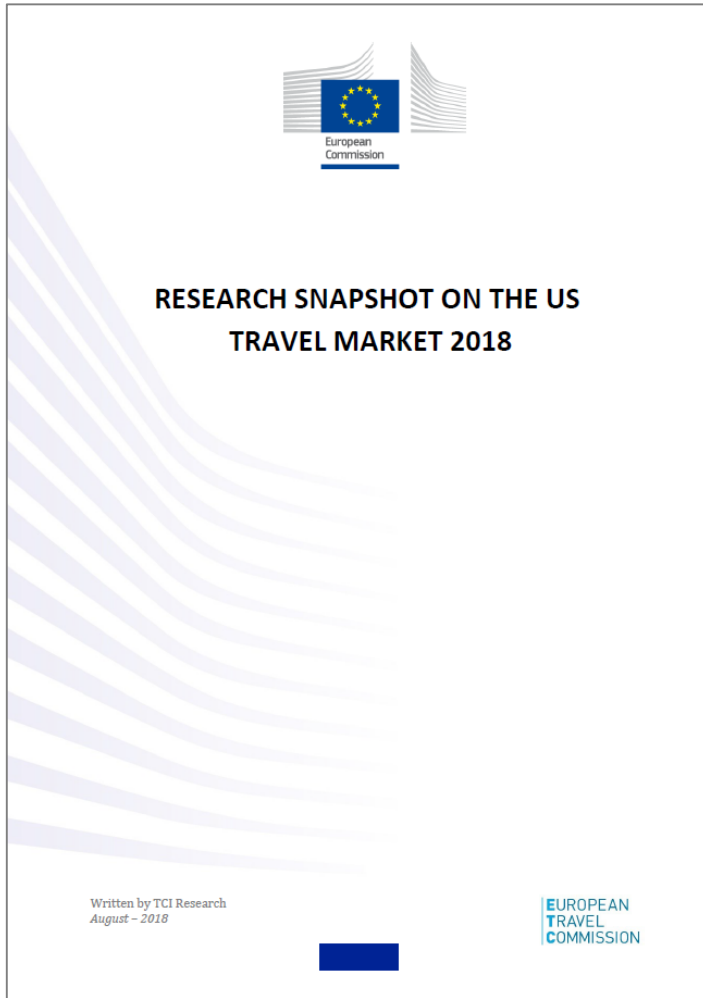


4.3 Caring for the Consumer

Food and drink

- For American travellers food is not considered a priority factor in planning a holiday. Food is seen as a secondary consideration behind price, safety, historical landmarks and cultural experiences.
- While existing stereotypes mean there is a lack of excitement about British cuisine pre-visit, perceptions improve after having visited due to the culturally diverse range of foods available and the modern food scene.
- 89% of American visitors to the UK were satisfied with their food and drink and 53% were very satisfied; both scores are above average for all visitors to the UK.
- 71% of American international travellers think that British food products are good quality.
- American travellers want food experiences that are off the beaten path; they seek authentic and unique experiences. Recommendations by locals are highly valued.
- There is a particular interest in locally sourced and organic produce and vegan and gluten free food is becoming more and more popular as a dietary choice.
- Americans will tend to eat an evening meal fairly early, especially those with families. Visitors from metropolitan cities may have more flexible eating habits as restaurants tend to open late.
- Americans are very comfortable paying for goods and services with a credit card.
- America has a tipping culture when it comes to service, and tipping between 18-20% of the food total bill is standard. As a result of this they will expect good service from restaurants, even on the budget side, with tap water provided and refilled as happens routinely in most US restaurants.

Source: International Passenger Survey by ONS, VisitBritain/ICM A taste of Britain 2017, VisitBritain/ORC qualitative research 2017



ANNEX B: Practical recommendations by ETC 2018

<https://op.europa.eu/en/publication-detail/-/publication/39be03a3-d284-11e8-9424-01aa75ed71a1/language-en>

6. Recommendations for European tourism suppliers on how to do business with US operators

While there is no foreseeable end to the rise in international tourism volume, European tourism suppliers that are seeking how best to develop successful business with U.S operators and to properly cater to the needs of the U.S outbound market, should consider the following challenges and suggested approaches to address them.

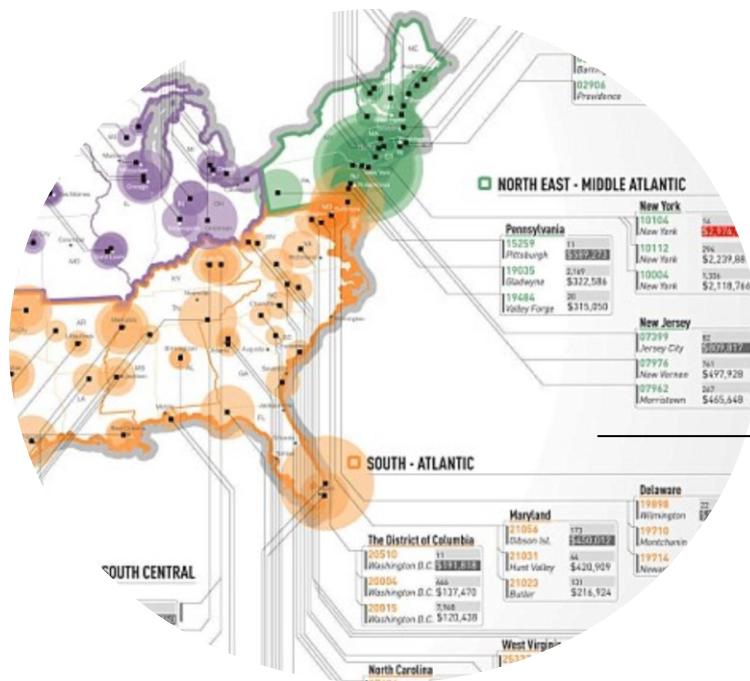
6.1 Challenge: EURO rise against the Dollar

Situation: From January 2017 to December 2017, USD/EUR FX rate has changed 10%, unfavourably to the USD, decreasing American purchasing power.^{xlix} This may cause a contraction in the volume of travellers to European destinations from holiday makers who are price sensitive.

Solution: ***DON'T ASSUME PRICE SENSITIVITY WILL RULE***

Instead... Ensure marketing strategy focuses on the segment of the population that are less price sensitive. Plenty of studies support the notion that retired baby boomers and seniors are richer than other age groups and are spending their funds on traveling for themselves and/or their family. One study done by AARP, states that "bucket list" is a motivator for seniors to go on international trips.^l It also stated that they are less likely to set a budget for a trip or be impacted by cost of airfare than millennials or Gen Xers.

Aside from age demographics, European tourism suppliers should also seek pockets of wealth in the U.S. population that also have a propensity to travel. For example, Maine, which has had an 83% increase in passport issuance over the past five years and has zip codes with average incomes ranging from \$140 to \$192K.^{li} The following map shows America's wealthiest zip codes as of May 13, 2015.



Full zip codes available at:
<http://www.businessinsider.fr/us/this-map-shows-americas-wealthiest-zip-codes-2015-5>

On the trade side, another strategy is to work with U.S. tour operators such as Tauck, whose practice is to lock in current rates on multi-year contracts of tour packages before the FX rates slides more unfavourably to the dollar.ⁱⁱ Since most people do not fall in the wealthy category this will help assure a steady volume of travellers seeking Europe as a destination rather than finding an alternative destination that meets their budget.

6.2 Challenge: Capacity crunch in Europe's top destinations

Situation: Crowding in popular destinations has stressed both the infrastructure and the residents of host destinations, stirring negative sentiment against tourists, and a backlash against policies that has left the local market unregulated.

Solution: *DON'T PLACE ALL BETS ON TOP DESTINATIONS IN EUROPE*

Instead... Showcase lesser known second and third tier European destinations that can serve as an added benefit to U.S. tour operators looking to distinguish itself from its peers by offering product differentiation in their itineraries to the market. Example of tour companies that are already going this route are Globus who is launching its *Undiscovered Italy* product to Sicily and Apulia, and Trafalgar whose clients have expressed increased interest in traveling to Croatia, Portugal, and Scandinavia.

Novice outbound U.S. travellers who have never visited world renown cities or seen iconic foreign landmarks may still flock to Europe first due to its notoriety in the mind of Americans who are accustomed to Western European images. But keep in mind that only 6.5% of travellers to Europe are first time international travellers. The remaining 93.5% have travelled outside the country at least once, and now that the new currency amongst travellers is “experiences” rather than “things”, the more off the beaten track the destination is, the more it is valued by a certain segment of travellers.

6.3 Challenge: Competition from other regional destinations

Situation: Technology has given rise to the awareness and increased accessibility to non-European regions. With 17% of the U.S. outbound total market share and 36% of the U.S. outbound overseas market share (source NTT), Europe still reigns as the top region for U.S. outbound market, but with the rise of the global traveller mindset, its market share for travellers is decreasing.

Solution: *DON'T TRY BE EVERYTHING TO EVERYONE*

Instead... Offer niche product/service by partnering with destinations in other regions that offer that same product/service. For example, consumers that are interested in faith-based travel can be served by a combined tour package that includes stops to Rome with Jerusalem and/or Addis Ababa. The shift in U.S. demographics is not only racial, but also religion. With immigrations from Latin American countries rising in the U.S., so is the potential number of Christian travellers looking for pilgrimage type of experiences.

Another niche example is medical tourism. With the U.S. population aging and with both medical and dental insurance coverage either insufficient or expensive for some residents, going outside the U.S. for treatment has become an option as more destinations are offering quality care for a fraction of the cost. According to a Financial Times' article which quotes research published by PwC consultancy, “Medical tourism is on the rise in central and eastern Europe — it has

been growing 12-15 per cent annually”.^{liii} According to a VISA whitepaper on “Mapping the Future of Global Travel and Tourism”, which quote research published by Patients Without Borders, medical tourism “is a multi-billion dollar industry that is expected to increase by up to 25 percent per year over the next 10 years”.^{liv} Through Visa’s own monitoring of consumer expense types, a rise in foreign medical expense has been noted. As mentioned in the article, these insights can aid travel service providers “with planning investments in ancillary businesses, like hotels, or determining where to add new flight routes”.

6.4 Challenge: Brexit effect on Open Skies agreement between U.S. and U.K.

Situation: The current agreement, which allows U.S carriers to fly to and within European union destinations will be affected on March 29, 2019, when Brexit become effective. The concern is that a minimum of six months prior to that date is needed to secure transit rights for scheduling and ticket sales purposes.^{lv} No new or interim service agreement have been negotiated to date. According to a Travel Weekly article that quotes one executive “a day’s disruption could be catastrophic, with 140 passenger flights and 43 cargo flights a day between the US and Britain”.^{lvi}

Solution: ***DON’T PROCRASTINATE ESTABLISHING AN INTERIM AGREEMENT***

Instead... Put in place a transition deal to mitigate uncertainties between the time of the current agreement and future agreement, keeping the flow of exports and people between the two countries uninterrupted.^{lvii} With the prevalence of low cost carriers (LCC) increasing its market share in transatlantic long-haul flights between Europe, U.K., and United States, having this agreement squared away can aid aviation stakeholders plan accordingly.

6.5 Challenge: Finding new entrants for a mature market

Situation: Europe is a mature market that is slowly losing its market share for international travellers. Fortunately, the U.S source market is large, growing, changing demographically, and increasing its propensity for overseas travel, therefore there is opportunities for Europe to find new segments within the U.S. market and keep a steady flow of visitors. The table below to the left displays the top 10 most populous states along with the names of their main airports, while the table below to the right shows states with population change of 6% or more over the five-year period between 2011 and 2016.

Table: U.S Population

	Name	Population (EST) 2016	Major Airports in the State
1	California	39 250 017	LAX (Los Angeles), SFO (San Francisco), SAN (San Diego)
2	Texas	27 862 596	DFW (Dallas/Forth Worth), IAH (Houston)
3	Florida	20 612 439	MIA (Miami), MCO (Orlando), FLL (Fort Lauderdale), TPA (Tampa)
4	New York	19 745 289	JKF (New YorkCity), LGA (New York City), NWK* (Newark, New Jersey)
5	Illinois	12 801 539	ORD (Chicago), MDW Chicago)
6	Pennsylvania	12 784 227	PHL (Philadelphia)
7	Ohio	11 614 373	CVG (Cincinnati/Covington), CLE (Cleveland)
8	Georgia	10 310 371	ATL (Atlanta)
9	North Carolina	10 146 788	CLT (Charlotte)
10	Michigan	9 928 300	DTW (Detroit)

Source: US Census, Bureau of Transportation

Table: US Population Change (2011-2016)

	State	Population Change (%) 2016/2011	2016 Population	Major Airports in the State
1	North Dakota	11%	757 952	FAR (Fargo)
2	District of Columbia	10%	681 170	BWI/DCA
3	Texas	9%	27 862 596	DFW (Dallas/Fort Worth) / IAH (Houston)
4	Utah	8%	3 051 217	SLC (Salt Lake City)
5	Colorado	8%	5 540 545	DEN (Denver)
6	Nevada	8%	2 940 058	LAS (Las Vegas)
7	Florida	8%	20 612 439	MCO (Orlando) / MIA (Miami) / FLL (Fort Lauderdale) / TPA(Tampa)
8	Arizona	7%	6 931 071	PHX(Phoenix)
9	Washington	7%	7 288 000	SEA(Seattle)
10	Idaho	6%	1 683 140	BOI (Boise)
11	South Carolina	6%	4 961 119	CHS (Charleston)
12	Oregon	6%	4 093 465	PDX (Portland)

Source: US Census, Bureau of Transportation

Florida and Texas appear on both lists. After excluding these two states, when combining the population of the remaining nine states plus D.C. are added together, it totals 37,927,737, which is almost as large as the population of California. Of those states, the following seven states had at least a 70% increase in passport issuance in the last 5 years: Utah, Colorado, Nevada, Arizona, Arizona, Washington, Idaho, and Oregon.

Solution: DON'T JUST FOCUS ON LARGE U.S. URBAN CENTERS

Instead... Bring in new or returning customers by partnering with long-haul low cost carriers (LCC) or ultralow-cost carriers (ULCC) such as Norwegian Air to collaborate on cross destination and airline promotion and air route development into potential markets. Not only is Norwegian Air providing service to large international airports in the U.S, but also to small international / regional airports. Serving these smaller markets can be a pleasant alternative for customers who can avoid in-transit stress that comes with large international airports, raising the image of both the airline and the journey. As of May 2017, Norwegian Air planned to have a fleet of 43 flights by introducing 19 transatlantic routes between the U.S and Europe.^{lviii} The following LCC and ULCC airlines were noted as serving routes between U.S and European destinations.

Figure: Low-cost / Leisure airlines' transatlantic inroads

CONDOR		
Frankfurt to: Anchorage Austin, Texas Baltimore Fairbanks, Alaska Las Vegas	Minneapolis New Orleans Pittsburgh (June 23) Portland, Ore. San Diego Seattle	Munich to: Las Vegas Seattle
EDELWEISS	EUROWINGS	LEVEL
Zurich to: Las Vegas San Diego (June 9) Tampa	Cologne/Bonn, Germany, to: Las Vegas Miami Orlando Seattle	Barcelona to: Los Angeles (June 1) Oakland, Calif. (June 5)
NORWEGIAN		
Barcelona to: Fort Lauderdale (Aug. 22) Los Angeles (June 5) Newark (June 6) Oakland (June 7)	Cork, Ireland, to: Providence (July 1)	Oslo, Norway, to: Boston Fort Lauderdale Las Vegas Los Angeles Oakland Orlando
Belfast to: Newburgh, N.Y. (July 1) Providence, R.I. (July 1)	Dublin to: Newburgh, N.Y. (July 1) Providence (July 2)	Paris to: Fort Lauderdale Los Angeles Orlando (July 31)
Bergen, Norway, to: Newburgh, N.Y. (July 2) Providence (July 1)	Edinburgh, Scotland, to: Hartford, Conn. (June 17) Newburgh/Stewart (June 15) Providence (June 15)	Shannon, Ireland, to: Newburgh, N.Y. (July 2) Providence (July 3)
Copenhagen, Denmark, to: Boston Fort Lauderdale Las Vegas Los Angeles Oakland Orlando	London to: Boston Denver (Sept. 16) Fort Lauderdale Las Vegas Los Angeles Oakland Orlando Seattle (Sept. 17)	Stockholm, Sweden, to: Fort Lauderdale Las Vegas Los Angeles Oakland
THOMAS COOK		
Manchester, England, to: Boston Los Angeles Miami New York Orlando	San Francisco Glasgow, Scotland, to: Las Vegas Orlando	London to: Las Vegas Orlando Belfast to: Orlando
WOW AIR		
Reykjavik, Iceland, to: Baltimore/Washington Boston	Chicago (July) Los Angeles Miami	Newark Pittsburgh (June) San Francisco

Source: Travel Weekly "Cheap pond hoppers: The impact of low-cost carriers"

According to Travel weekly, low- cost carriers would make up 4.7% of the total U.S. – Europe flights in 2017, up from 1.8% two years ago. With legacy airlines, battling disruptors with their own version of LCC, or competing route service, this will bring a surge of options to the U.S. Outbound market to capitalize on. As quoted by Norwegian’s chief executive Bjorn Kjos “There’s a new layer of people flying that normally cannot afford to fly trans-Atlantic”.^{lix}

6.6 Challenge: Deeper infusion into U.S travel supplier market

Situation: In a study done by Eye For Travel/Equifax on U.S. outbound market, it was found that two segmented groups, “Golden Globetrotters” and “Affluent Empty Nests” are more likely to book with travel agents who can curate high end experiences or arranged travel with tour groups. These two groups are also more likely to travel to Europe as convenience and high-end experiences are valued.^{lx} And in quoting an industry insider highlighted in a Travel Weekly article “A number of studies show that Millennials – 50 percent of whom already have children – are using travel agents more than any other demographic (about 38 percent use one). - Rainer Jenss, president and founder, Family Travel Association^{lxi} Although overall booking with traditional travel agencies have fallen over the years, they account for 17% of U.S. travellers bookings in 2016 (source NTTO), and therefore are still a viable force in the industry.

Solution: ***DON'T REMAIN SILOED IN THINKING THAT U.S. DESTINATION & INTERNATIONAL MARKETS CANNOT WORK TOGETHER***

Instead... Join or partner with industry organisations such as the U.S. Tour Operator (USTOA) and National Tour Association (NTA), whose membership base are tour operators and travel suppliers that serve U.S. domestic, inbound, and outbound markets; and who host annual marketplace events that bring together travel suppliers and travel providers. According to one report, 2017 was a positive year for the industry and 2018 has expectation of double digit growth.^{lxii}

Another organisation to partner with is U.S. Travel (USTA), particularly on their *Project Time Off* initiative. Although the organisation focuses solely on U.S. domestic and inbound tourism, the experience and guidance that Europeans can bring from their social system that appreciates travel can propel this initiative to be a more galvanize force in fostering change legislatively. Any efforts brought forth to encourage Americans to use all their vacation days can result in increased tourism activity both domestically and internationally. Moreover, the anticipated defunding of Brand USA by the Trump Administration will also have much more effect on Inbound travel TO the United States, rather than Outbound travel FROM the United States. For European destinations wishing to promote to the US Outbound Market, the potential elimination of Brand USA may work in its favour as there will be less promotion of U.S. destination, which may encourage a transfer of visitor traffic to Europe from other destinations (e.g. Brazil, China, India).

6.7 Challenge: Terrorism

Situation: Rising terrorist activities have threatened the safety of both residents and visitors around the world. Extremist not only attack obvious public targets but also seemingly random local venues from lone wolves. The effect of repeated attacks in France may well have caused the decreased tourist volume from the United States in recent years.

Solution: ***DON'T SUGARCOAT THE REALITY OF THE TERRORISM THREAT***

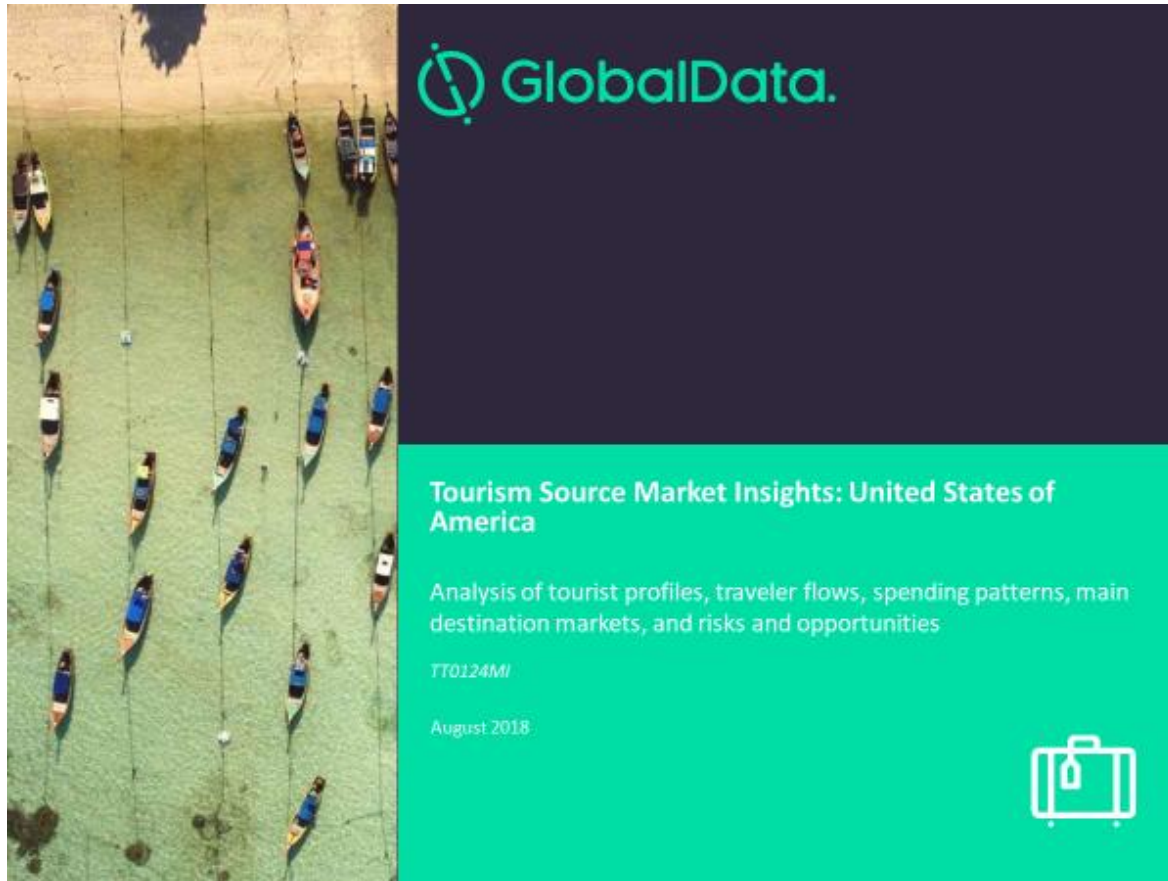
Instead... be as transparent as possible if future attacks occur. Use a public relation agency to inform and communicate with visitors of the steps that should be taken to ensure safety and to evacuate if necessary. Have a flexible travel cancellation policy for transportation, accommodations, and booked services to ease the concerns of visitors who are already in the destination or had made plans to visit the destination.

In sum, there are a myriad of challenges and opportunities in the U.S outbound market for the European travel supplier to address. One of the main call to action that can benefit traveller suppliers wishing to further penetrate the market is to perform a deeper segmentation analysis of the U.S traveller profile to gather insights on their preferences throughout the travel journey, from inspiration to post trip sharing. Use this information to identify a subgroup within a demographic or psychographic group, then match the revised traveller profile subgroup preferences to attributes that individual European destinations have to offer.

Many studies just segment the market by age group, income, or lifestyle. One study that examines more deeply these factors was study done by *Eye For Travel/Equifax*, which analysed the U.S. Outbound Travel by breaking down the population into 71 segments which ultimately was combined into eight groups based on “*their performance (e.g. “index for international travel), market size, demographic ‘fit’ with one another*”.^{lxiii} The eight target/treatment groups were 1) Golden Globetrotters, 2), Affluent Empty Nests, 3) Flush Families, 4) Secure in Suburbia, 5) City Slickers, 6) Consuming on Credit, 7) Developmental, 8) Off Target. In addition to demographics and propensity to travel, information about technology usage, media consumption, and booking behaviour was captured. The study identified the Golden Globetrotters and Affluent Empty Nests groups as the two groups most likely to travel to Europe, the former traveling to traditional destinations in Europe while the latter, traveling to the region in a more luxurious style. Once a deep dive like the aforementioned is concluded and insights are revealed, destination marketers can effectively capture a larger segment of the market they are seeking.

6.7 Online resources for further reading

- U.S. Outbound for 2016 - Forecasts, Consumer Profiles, Spending Patterns and Key Segments https://www.equifax.com/assets/USCIS/outbound_travel_report.pdf
- AARP - 2017 Travel Trends - https://www.aarp.org/content/dam/aarp/research/surveys_statistics/life-leisure/2017-travel-trends.pdf
- Capacity the biggest challenge for Europe tour operators - By Michelle Baran / September 25, 2017 <http://www.travelweekly.com/Travel-News/Tour-Operators/Capacity-the-biggest-challenge-for-Europe-tour-operators>
- Medical tourism on the rise in central and eastern Europe - <https://www.ft.com/content/24d0e36c-72eb-11e7-93ff-99f383b09ff9> (subscription to the *Financia Times* required)
- Visa “Mapping the Future of Global Travel and Tourism” - <https://usa.visa.com/dam/VCOM/global/partner-with-us/documents/global-travel-and-tourism-insights-by-visa.pdf>
- Concerns mounting over impact of Brexit on open skies accords --By Robert Silk / August 21, 2017 <http://www.travelweekly.com/Travel-News/Airline-News/Concerns-mounting-over-impact-Brexit-open-skies-accords>
- US airlines 'very concerned' over aviation regulations post-Brexit <https://www.theguardian.com/politics/2017/sep/20/us-airlines-aviation-regulations-post-brexit-open-skies-agreement-eu>
- The great Brexit aviation debate. A transition deal is needed to avoid disaster for UK airlines <https://centreforaviation.com/insights/analysis/the-great-brexit-aviation-debate-a-transition-deal-is-needed-to-avoid-disaster-for-uk-airlines-380522>
- Travel Weekly “Cheap pond hoppers: The impact of low-cost carriers” -By Robert Silk / May 24, 2017 <http://www.travelweekly.com/Travel-News/Airline-News/Cheap-pond-hoppers-impact-low-cost-carriers>
- NY Times “Norwegian Expands in the Trans-Atlantic Market” -By JANE L. LEVEREJAN. 17, 2017 <https://www.nytimes.com/2017/01/17/business/norwegian-expands-in-the-trans-atlantic-market.html>
- Eye For Travel/Equifax: U.S. Outbound Travel in 2016 Forecasts, Consumer Profiles, Spending Patterns and Key Segments https://www.equifax.com/assets/USCIS/outbound_travel_report.pdf
- What Travel Trends Will Make a Mark on 2018? -by Richard D'Ambrosio / December 14, 2017 <http://www.travelmarketreport.com/articles/What-Travel-Trends-Will-Make-a-Mark-on-2018>
- Tour Operators Prepare for Banner Year in 2018 <http://www.travelmarketreport.com/articles/Tour-Operators-Prepare-for-Banner-Year-in-2018>
- U.S. State Department - <https://travel.state.gov/content/travel/en/traveladvisories/traveladvisories.html>



ANNEX C: Practical recommendations by GlobalData 2018

Extract from GlobalData report that was shared by Promotelceland

How to Attract US Tourists

Stick to the point



Source: Shutterstock

The US is one of the few countries in the world where there is no statutory minimum paid vacation or paid public holidays. Employers are solely responsible for offering paid vacation. According to the Bureau of Labor Statistics, in March 2017, 77% of workers in private industry had access to paid holidays^[7], and they were given eight paid holiday days on average.

Therefore, when they go on holiday, Americans are list-tickers: they are very organized, they like to plan every step of the journey; they optimize their trips as much as they can, and know exactly what they want from the tourism companies.

Tourist destinations and businesses willing to target US consumers must therefore keep this in mind and invest in a well-designed, user-friendly website, which clearly displays the information. Companies must also focus on offering packages, which include many activities in one, making it easier and more attractive for US travelers to visit a certain place without the hassle of developing their own itineraries.

Enhance holiday packages and services



Source: Shutterstock

US tourists usually need to spend tremendous amounts of money just on transportation alone when they go on holiday, so when they buy a travel package, they expect good value for money. Therefore they are attracted to any deals that are complete and include free meals or easily-available ancillary services.

For example, hotels can offer a cheap car rental or private car service, or provide taxis when needed. Tour operators and travel agencies can offer packages that include all services bundled together, from airline and cruise line tickets to spa services and museum visits.

Another way for tourism companies to enhance their offerings and attract US travelers in a non-English speaking country is by partnering with English tour guides, employing staff with English skills, or offering pamphlets, menus, instructions, and other services in their language.

How to Attract US Tourists

Invest in technology



Source: Shutterstock

Many American tourists, even when on vacation, never really unplug from their electronic devices. The majority are constantly worried about what happens at work or at home with their families, and would rather keep in touch via email, social media, or phone. Therefore, they have high expectations from tourism businesses when they travel, as they need connectivity and access to good IT solutions wherever they are.

Therefore, travel destinations visited by large numbers of American tourists need to invest in high-speed Wi-Fi in public places; this can differentiate a hotel or airline from another.

Another way in which hotels, air travel companies, and other firms in the travel and tourism industry can attract US customers is by offering useful applications in English, which American tourists can use for online bookings, check-in, finding their way in a foreign city, or simply for finding information about the place they are visiting.

Offer services and products in English



Source: Shutterstock

Only 20% of Americans can speak a foreign language^[25]. Some American tourists are afraid and can therefore be completely put off from visiting places where they cannot understand the language.

Therefore, travel and tourism companies that want to be appealing to US customers must employ staff with English communication skills and also offer content in English – be that information on their official website, on restaurant menus, online marketing campaigns, or pamphlets. Offering information in their native tongue can also put US travelers at ease and make them feel less anxious, and instead feel more welcomed.

How to Attract US Tourists

Invest in facilities and home-like amenities



Source: Shutterstock

US travelers are organized, used to comfort, and have certain requests that they expect to find everywhere they go, and do not like to compromise. Offering good air conditioning systems in hotels, keeping a restaurant or museum clean, and investing in solutions to reduce waiting times can help tourism companies appear more inviting to American travelers.

Even though they enjoy trying new experiences and foreign cuisine, finding familiar tastes and products after a long trip will definitely make them feel more welcome in the country they visit. Therefore, travel and tourism companies looking to attract US tourists should invest in simple things that remind US travelers of their home, be that a simple drink from an American brand or a newspaper from the US.

Emphasize safety



Source: Shutterstock

Even though they are not as concerned about terrorism as visitors from other countries, US customers prefer to travel to safe places, and find accommodation that is hygienic and spacious^[2].

Providing a lot of information beforehand about how the security systems work in a certain country, what vaccinations are required, or any health issues they might be faced with, as well as responding to any safety-related inquiries while visiting can definitely make US travelers feel less afraid to travel to certain destinations.