

# THE FUTURE OF TRAVEL FROM THE PACIFIC RIM

GWTTTRA, APRIL 2013

Dan Mishell  
Director, Research



# 2011 VISITATION

	<u>US</u>		<u>CA</u>	
Japan:	3,249,569	} 27%	561,000	} 33%
South Korea:	1,145,216		410,000	
China:	1,089,405		517,000	
Australia:	1,037,852		563,000	
Overseas Tot.:	27,883,157		6,192,000	

# 2011 US MARKET SHARE

## Japan

**Hawaii** 39%

Honolulu 34%

**Guam** 25%

**California** 17%

Los Angeles 9%

San Francisco 6%

**New York** 10%

NYC 9%

**Illinois** 3%

Chicago 3%

# 2011 US MARKET SHARE

## S. Korea

<b>California</b>	<b>36%</b>
Los Angeles	21%
San Francisco	14%

## China

<b>California</b>	<b>47%</b>
Los Angeles	31%
San Francisco	18%
<b>New York</b>	<b>44%</b>
NYC	39%

# 2011 US MARKET SHARE

## **Australia**

**California** 54%

Los Angeles 38%

San Francisco 22%

**New York** 40%

NYC 40%

**Hawaii** 26%

Honolulu 18%

# 2011 LENGTH OF STAY

	<u>US</u>		<u>CA</u>	
	<u>Avg</u>	<u>Med.</u>	<u>Avg</u>	<u>Med.</u>
Japan:	8.2	4	7.6	4
South Korea:	23.2	7	16.4	5
China:	38.2	11	10.6	6
Australia:	21.2	15	7.9	6
Overseas Tot.:	18.1	9	11.1	6

# 2011 AVG. SPEND PER TRIP

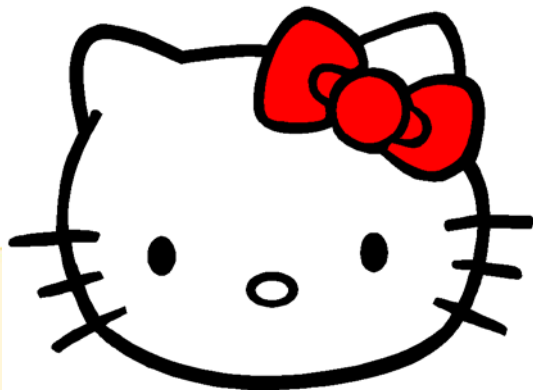
	<u>US</u>	<u>CA</u>
Japan:	\$3,121	\$1,969
South Korea:	\$3,207	\$2,173
China:	\$5,222	\$2,932
Australia:	\$4,097	\$1,758
Overseas Tot.:	\$3,239	\$1,883

# 2011 TOTAL SPEND

	<u>US</u>	<u>CA</u>
Japan:	\$10.1B	\$1.1B
South Korea:	\$3.7B	\$0.9B
China:	\$5.7B	\$1.5B
Australia:	\$4.3B	\$1.0B
Overseas Tot.:	\$90.3B	\$13.4B



# TRENDS & TRAVEL CHARACTERISTICS- JAPAN



# TRENDS & TRAVEL CHARACTERISTICS- JAPAN

- 25% of all Japanese leisure travelers are over 65
- This number will grow by one third to 4.5 million pax by 2030
- Destinations need to focus on the language barrier, health & hygiene and food

# TRENDS & TRAVEL CHARACTERISTICS- JAPAN

- 1/3 of Japanese overseas leisure travel is solo, and the same proportion intend to do so in the future.
- Nearly half of Japanese under 30 travel alone
- 20% of seniors (over 65) travel alone as well, showing the polarization of the market.

# TRENDS & TRAVEL CHARACTERISTICS- JAPAN

- 92% use online sources when planning travel and 89% are influenced by online customer reviews.
- When planning their most recent trip, 57% of Japanese used Facebook, 39% used Google+ and 26% used twitter.

# TRENDS & TRAVEL CHARACTERISTICS- JAPAN

- Boeing 787 Dreamliner affects Japan more than other markets
- ANA tentatively plans for the 787s to be back in service by June 1st

# TRENDS & TRAVEL CHARACTERISTICS- JAPAN

- When the yen is stronger, Japanese prefer shopping destinations such as Hong Kong, Korea and Hawaii.
- According to Japanese travel industry experts, if the yen weakens to 100 to the US dollar, it could have some psychological effect.

# TRENDS & TRAVEL CHARACTERISTICS- S. KOREA



# TRENDS & TRAVEL CHARACTERISTICS- S. KOREA

- Overseas travel for Koreans is still young as the liberalization of the overseas leisure travel for the Korean citizens was implemented in 1989.
- Koreans travel overseas they like to visit many cities and experience many attractions possible, rather than staying in one single city.



# TRENDS & TRAVEL CHARACTERISTICS- S. KOREA

- 27% of the population travels overseas each year, showing much higher ratio compared to that of Japan or China. (Japan 12% and China 5%)

# TRENDS & TRAVEL CHARACTERISTICS- S. KOREA

- Approximately 4 million and 2 million Koreans travel to China and Japan respectively every year.
- The 3rd most popular destination for Koreans is the U.S.A.

# TRENDS & TRAVEL CHARACTERISTICS- S. KOREA

- Korean travelers are highly influenced by others' opinions in selecting their travel destination, hotels and restaurants.
- Internet and social media are the main source for gaining information and source as well as friends' recommendation.

# TRENDS & TRAVEL CHARACTERISTICS- S. KOREA

- Broad-based interest among Koreans nowadays are healthy lifestyles and a higher quality of life
- Luxury travel products with well-being themes, such as spas and golf holidays are becoming popular

# TRENDS & TRAVEL CHARACTERISTICS- CHINA



# TRENDS & TRAVEL CHARACTERISTICS- CHINA

- Chinese residents made 83.18 million trips overseas in 2012.
- China outbound travel scale increases 20% every year.
- China will become the No. 1 global outbound tourism source market in 2013, with 90 million border-crossings estimated

# TRENDS & TRAVEL CHARACTERISTICS- CHINA

- Chinese emphasize on safety, popularity and organized routes, when it comes to traveling.
- Groups and pricing are at a premium among first time visitors
- The “Second Wave” of Chinese outbound tourism is increasingly comprised of affluent repeat-visitors. More intensive experiences and new destinations beyond the trodden path.

# TRENDS & TRAVEL CHARACTERISTICS- CHINA

- Chinese High Net Worth individuals will spend 19% of their total yearly salary and spend up to three weeks on vacation.
- Shopping has become the driving force for Chinese tourism.
- Luxury goods are almost 60% more expensive within China.



# TRENDS & TRAVEL CHARACTERISTICS- CHINA

March 16th, 2013: The U.S. Embassy and Consulates implementing procedures easing scheduling of visa interview appointments, payment of visa processing fees, and checking on the status of their issued visas

# TRENDS & TRAVEL CHARACTERISTICS- CHINA

## **The Outline for National Tourism and Leisure (2013-2020)**

- A landmark document which will see the complete redefinition of tourism development and management in the country
- Enforces the *Regulations for Paid Annual Leave for Employees*

# TRENDS & TRAVEL CHARACTERISTICS- AUSTRALIA



**Aussie! Aussie!  
Aussie!  
Oi! Oi! Oi!**



# TRENDS & TRAVEL CHARACTERISTICS- AUSTRALIA

85% of travel to the USA from Australia originates from three states; NSW (Sydney), Victoria (Melbourne) and Queensland (Brisbane).

# TRENDS & TRAVEL CHARACTERISTICS- AUSTRALIA

- Travel agents remain the leading information source for an overseas holiday or leisure trip
- But more have started to book travel online than through agencies

# TRENDS & TRAVEL CHARACTERISTICS- AUSTRALIA

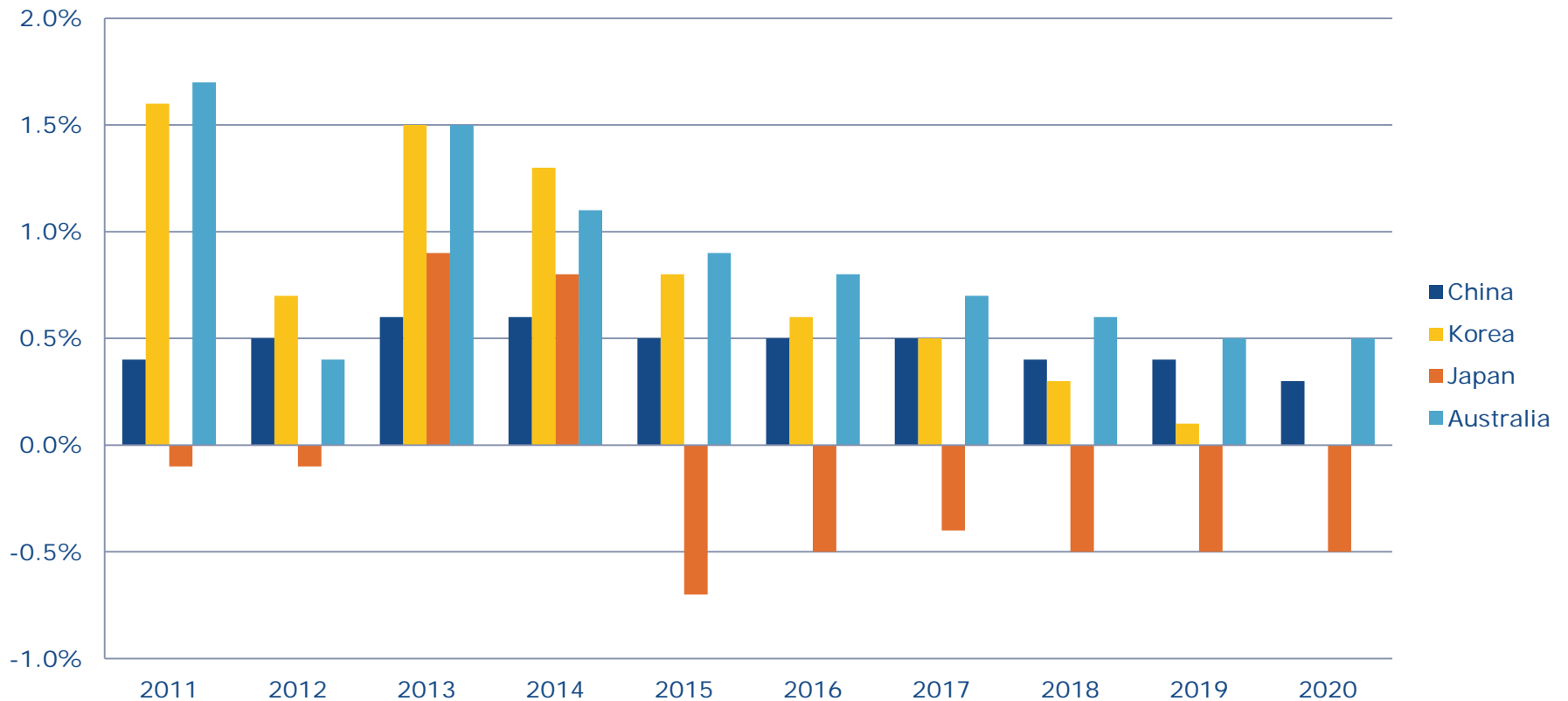
- 2009: Both Virgin Australia and Delta Airlines commenced trans-Pacific flights
- More recently, there have been strong increases in direct lift into both Hawaii and Dallas Fort Worth.
- Airlift combined with the strong Australian dollar has meant a dramatic drop in the cost of a USA holiday and visitor numbers have soared.

# TRENDS & TRAVEL CHARACTERISTICS- AUSTRALIA

- Driven by great value, Australians are travelling more frequently than ever before.
- In September 2012, Australian 'intention to travel internationally' was at its highest ever level - 10%

# EMPLOYMENT

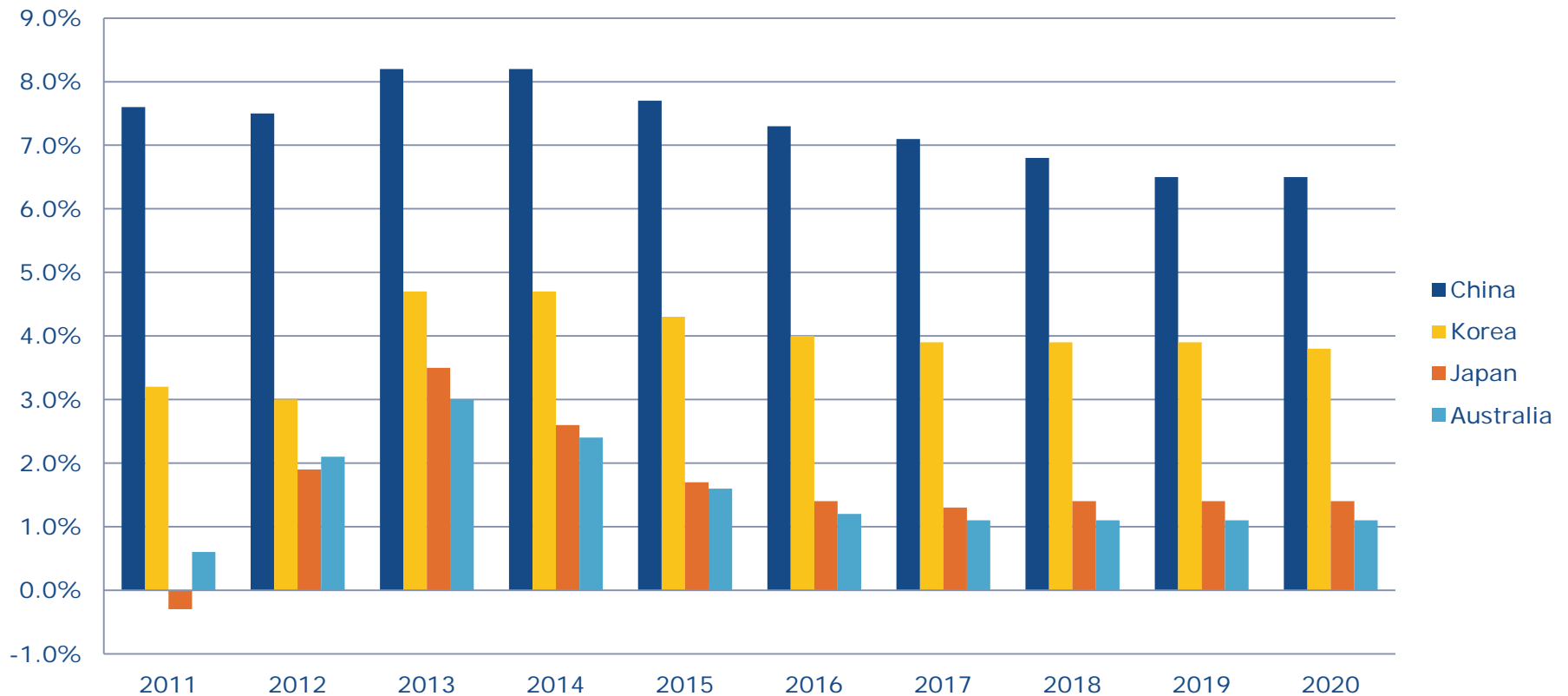
## Employment (yr/yr%)





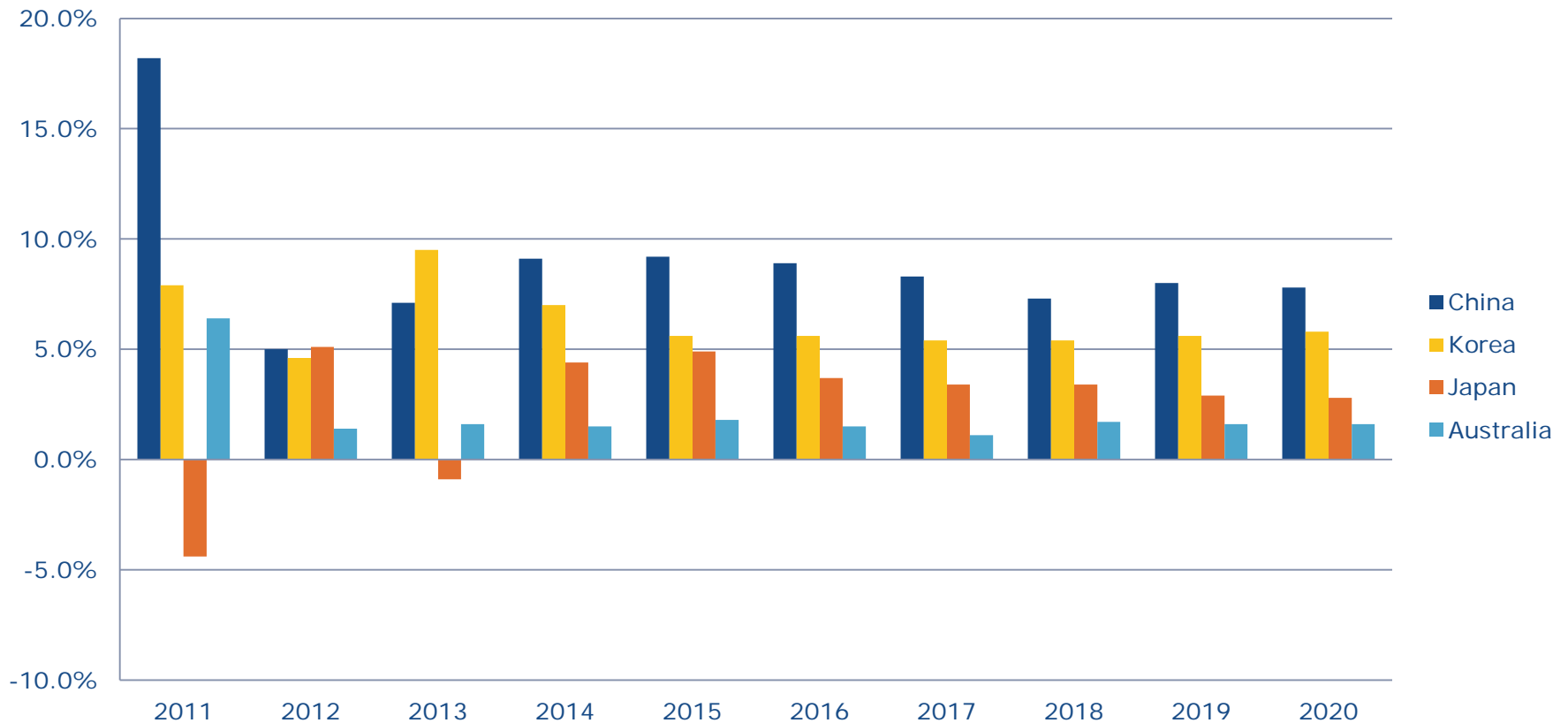
# GDP PER CAPITA

## GDP Per Capita (yr/yr%)



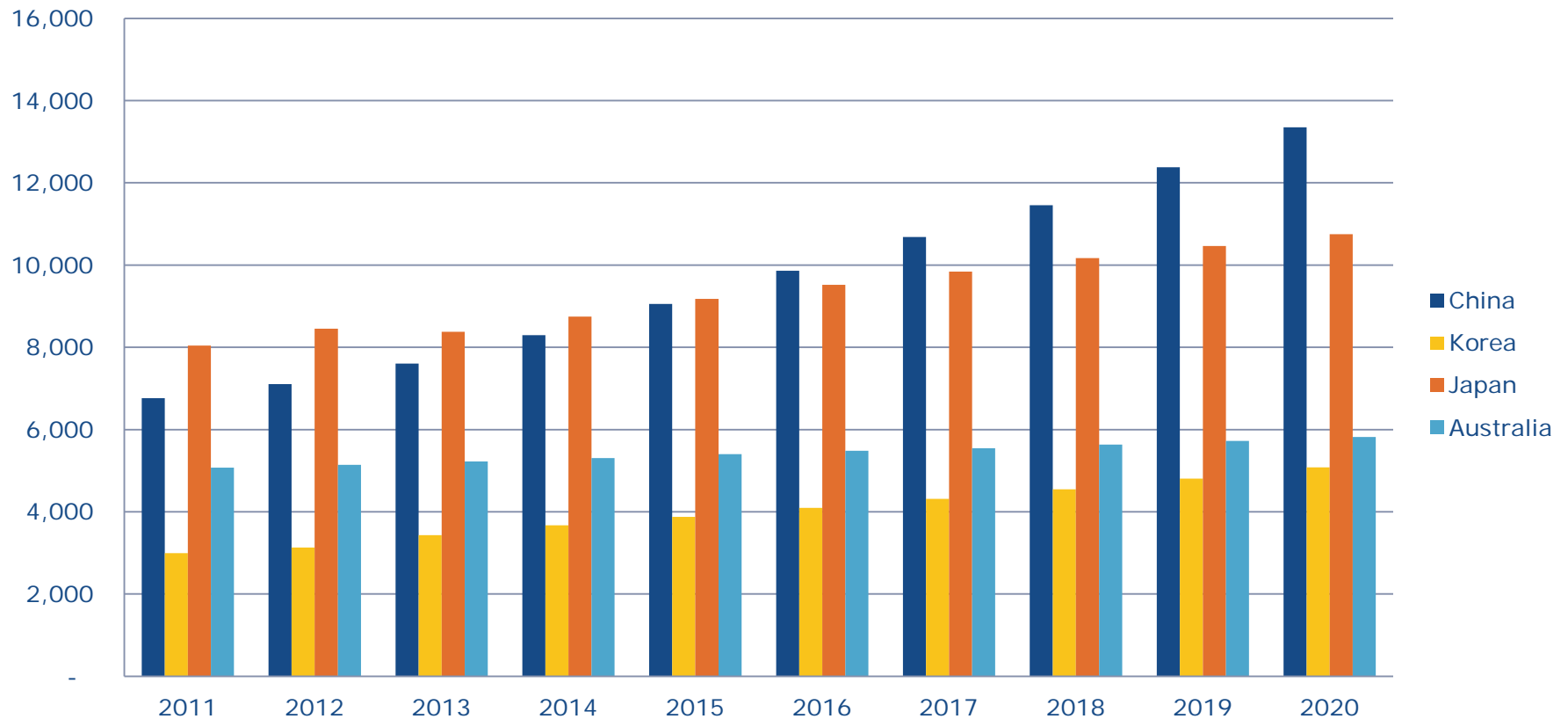
# LONG HAUL TRIPS

## Long Haul Trips (yr/yr%)



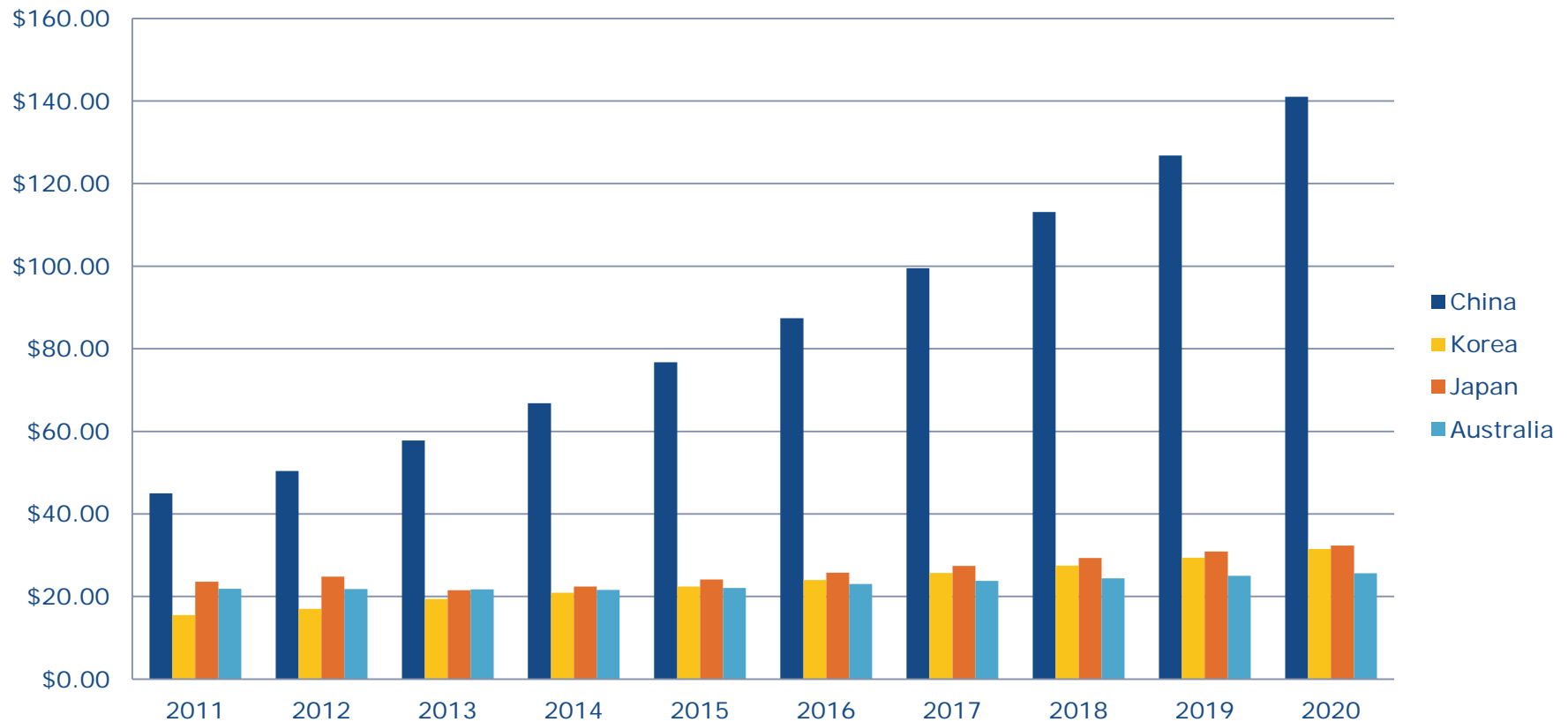
# LONG HAUL TRIPS

## Long Haul Trips (Thousands)



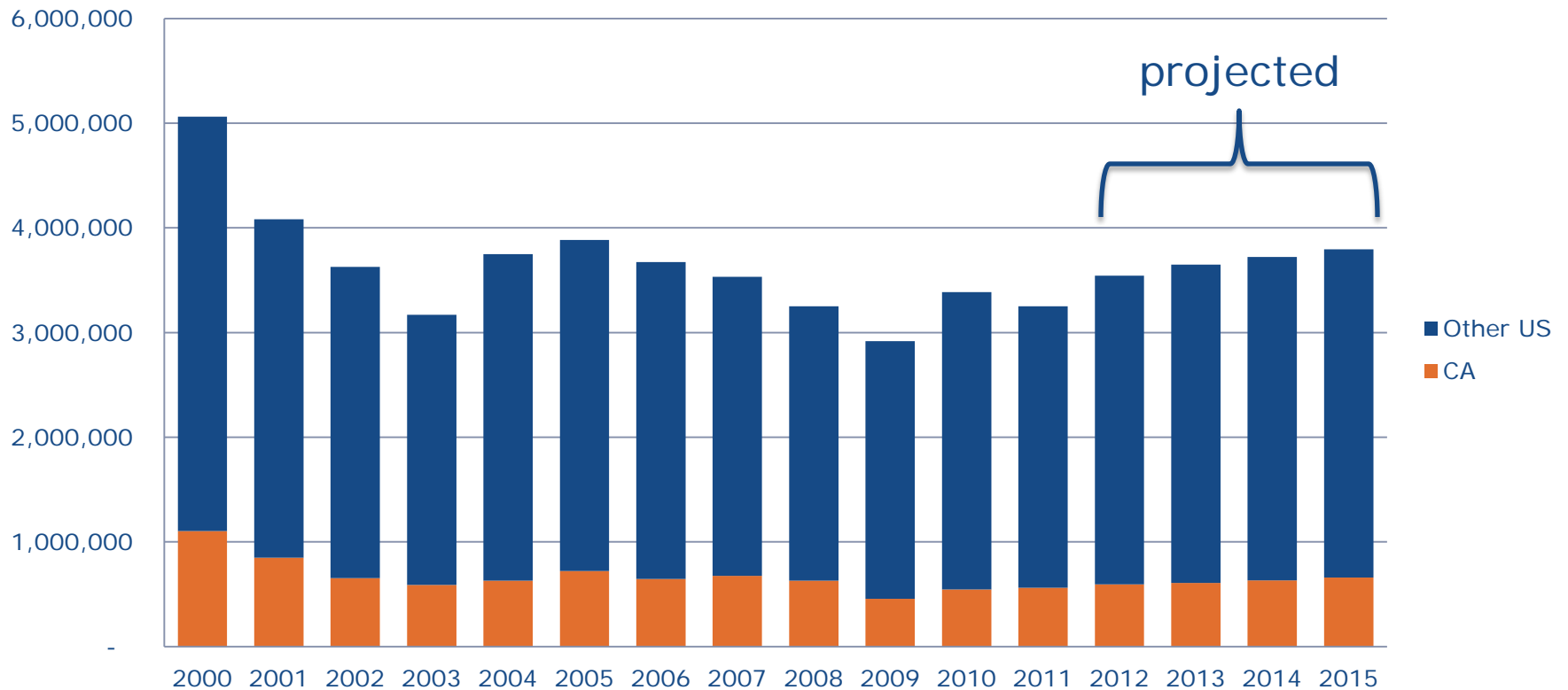
# LEISURE OUTBOUND SPENDING

## Leisure Outbound Spending (Billions)

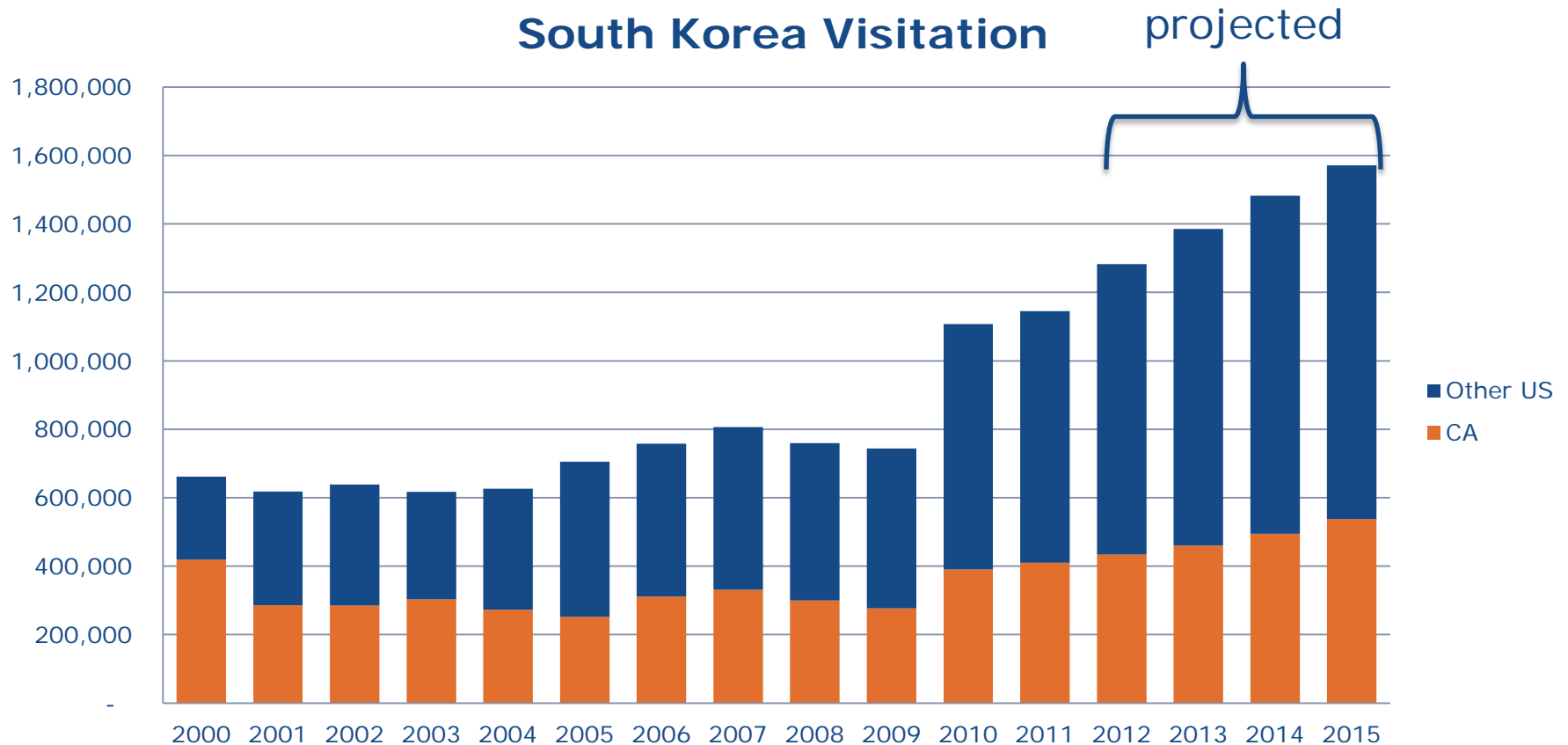


# JAPAN TRAVEL TRENDS

## Japan Visitation



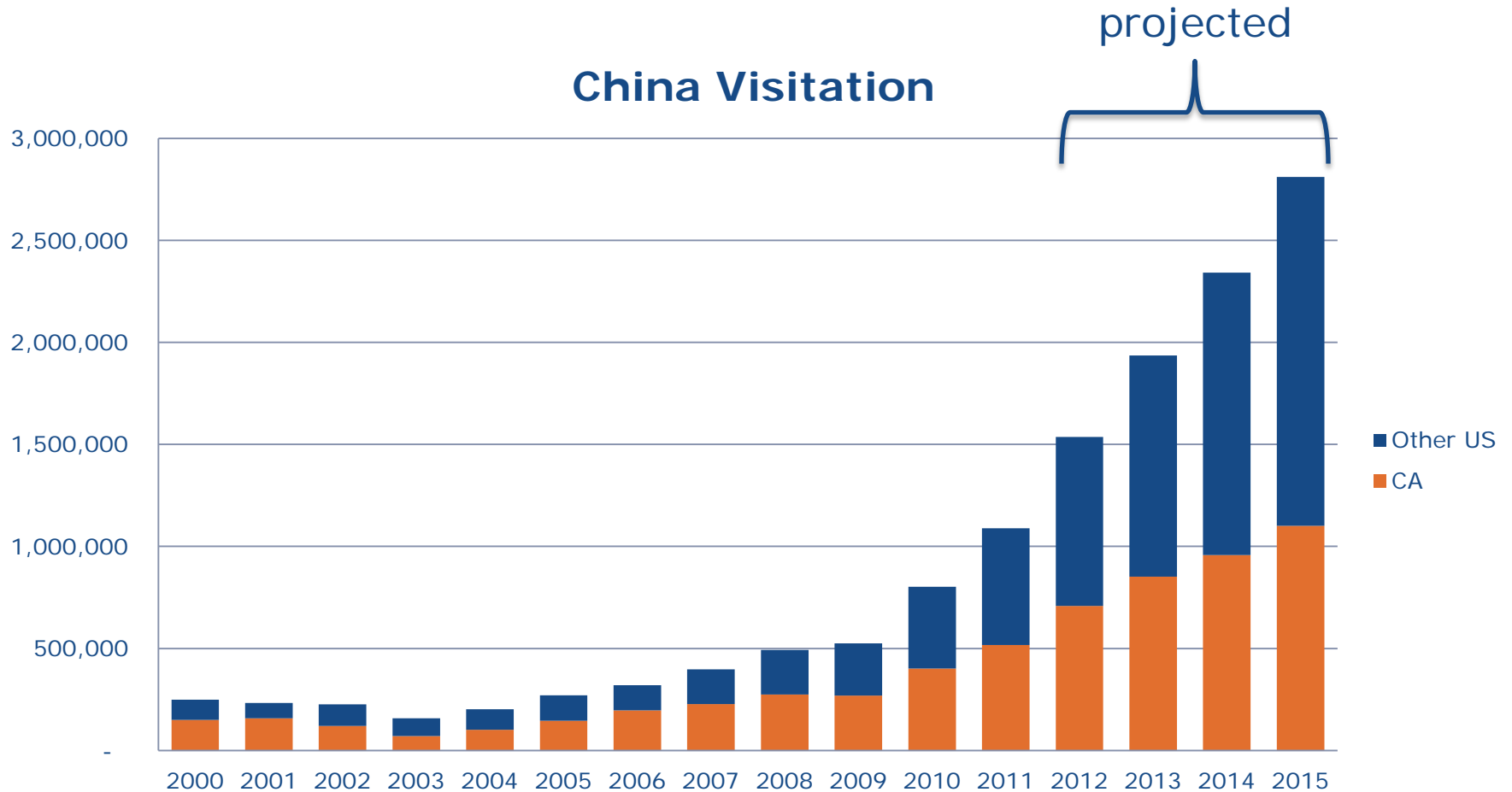
# SOUTH KOREA TRAVEL TRENDS



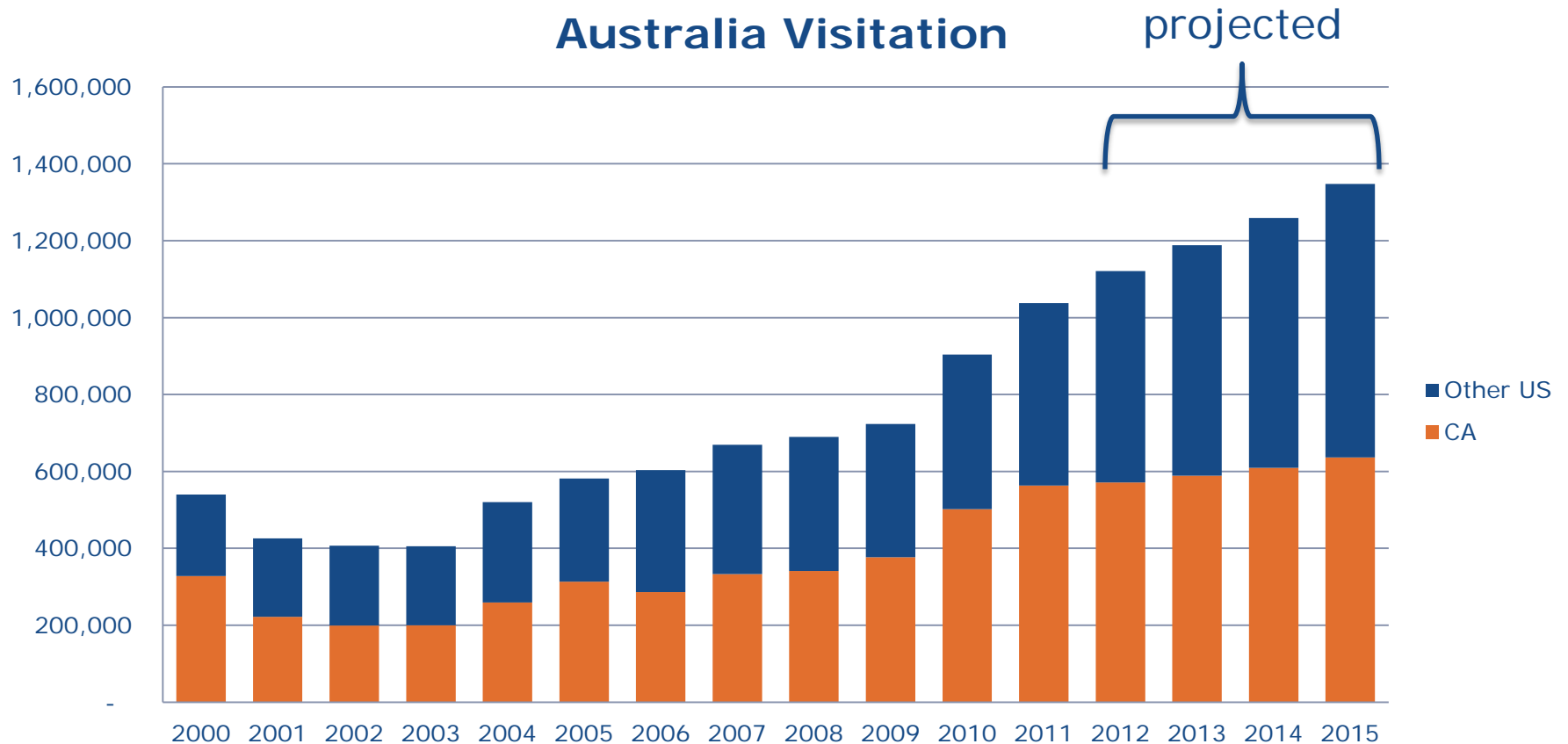
Sources: US Dept. of Commerce; CIC Research, Inc; Tourism Economics; Visit California

# CHINA TRAVEL TRENDS

## China Visitation



# AUSTRALIA TRAVEL TRENDS



Sources: US Dept. of Commerce; CIC Research, Inc; Tourism Economics; Visit California



# 2015(P) VISITATION

	<u>US</u>	<u>15/11Chg.</u>
Japan:	3,795,682	17%
China:	2,810,254	158%
South Korea:	1,571,154	37%
Australia:	1,347,580	30%

	<u>CA</u>	
China:	1,101,000	113%
Japan:	659,000	17%
Australia:	637,000	13%
South Korea:	537,000	31%

# THE FUTURE OF TRAVEL FROM THE PACIFIC RIM

GWTTTRA, APRIL 2013

Dan Mishell  
Director, Research

