Tours & Activities

Fabulously Fragmented

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Fragmentation

In-destination activity landscape is incredibly fragmented, comprised of largely small local providers.

Technology

Most operators generate well under $1 M annually & lack resources to invest in distribution technology. 4 in 5 do not have websites.

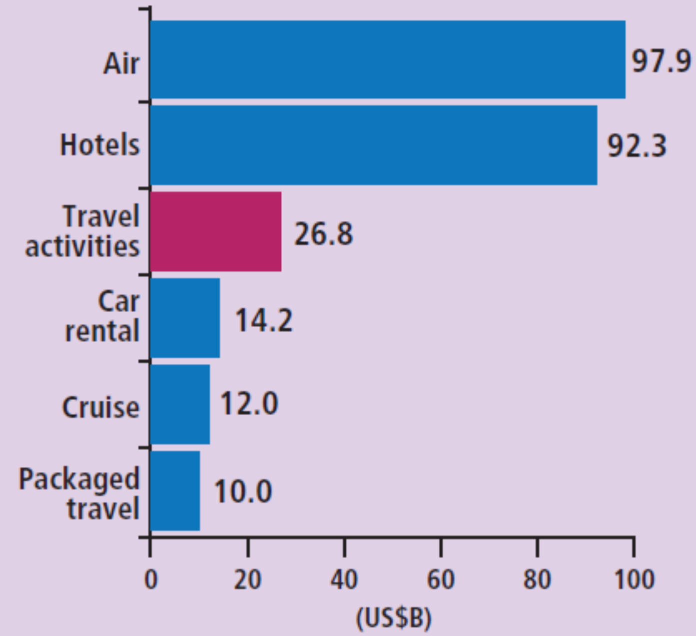
Economics

Average transaction value is $100 per person.

Market Size

Addressable US market is $20 B

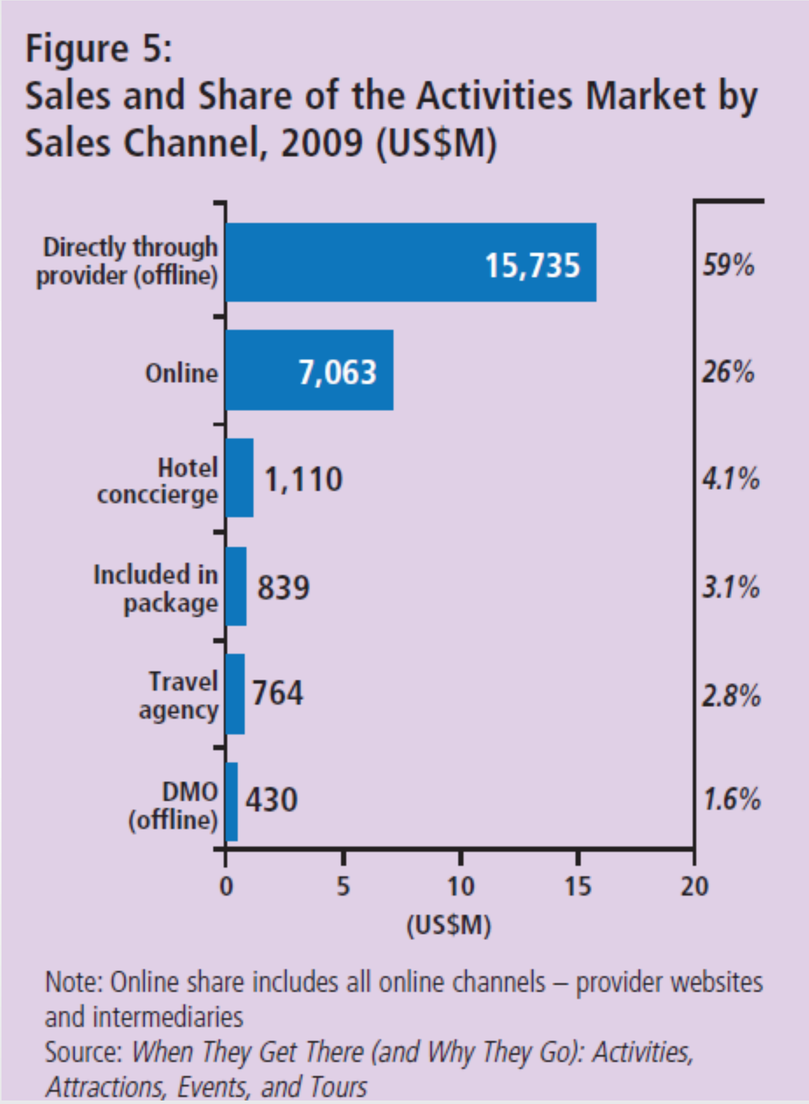
Figure 1:
Size of the U.S. Travel Activities Market and Total Travel Market by Segment, 2009 (US$B)



Source: *When They Get There (and Why They Go): Activities, Attractions, Events and Tours; PhoCusWright's U.S. Online Travel Overview Tenth Edition*, November 2010

Sales by Channel

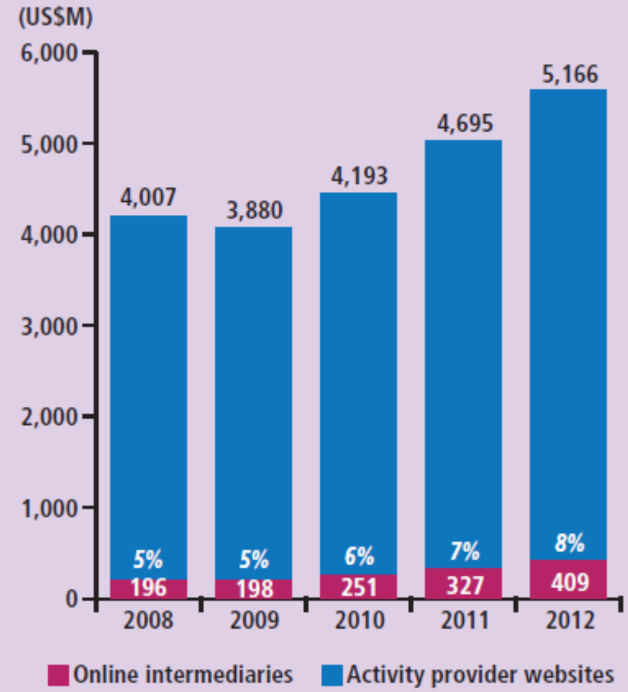
84% of sales are supplier direct



Growth of Distribution

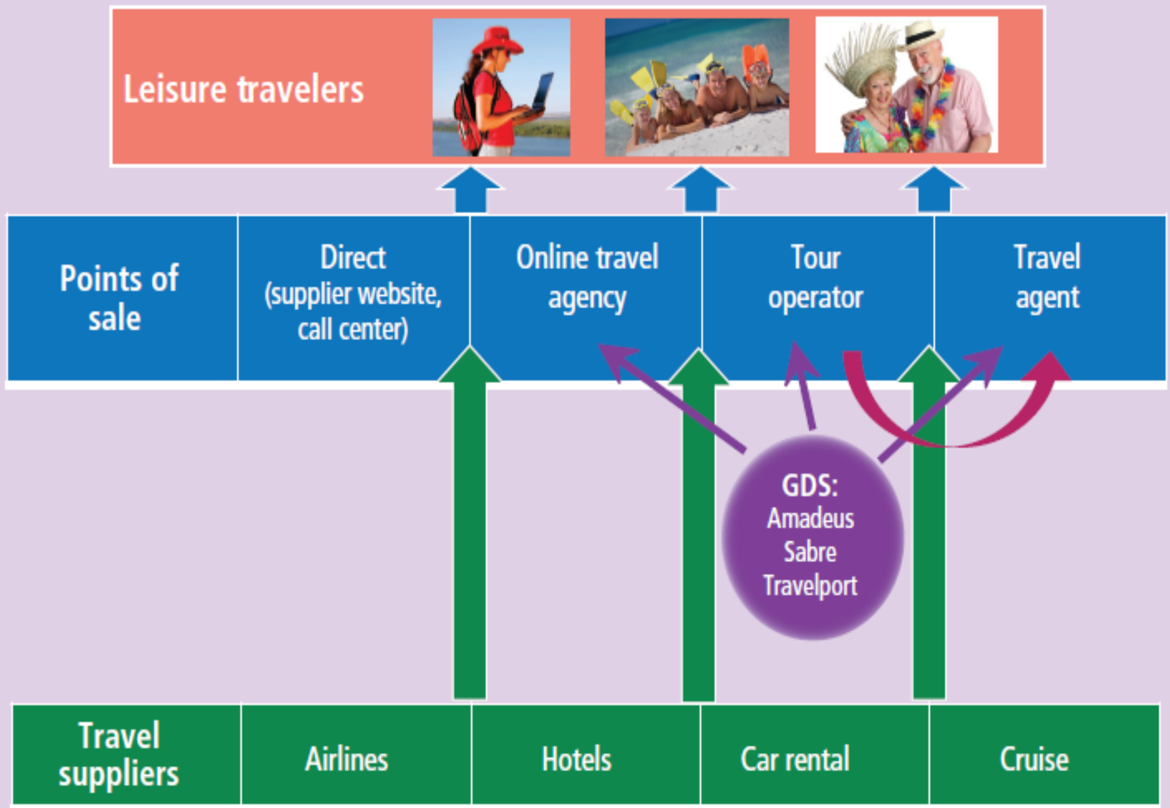
6% in 2010 ($251 M)
8% by 2012 ($409 M)

Figure 7:
U.S. Addressable Online Travel Activities Market by Providers and Intermediaries and Intermediary Share, 2008-2012 (US$M)



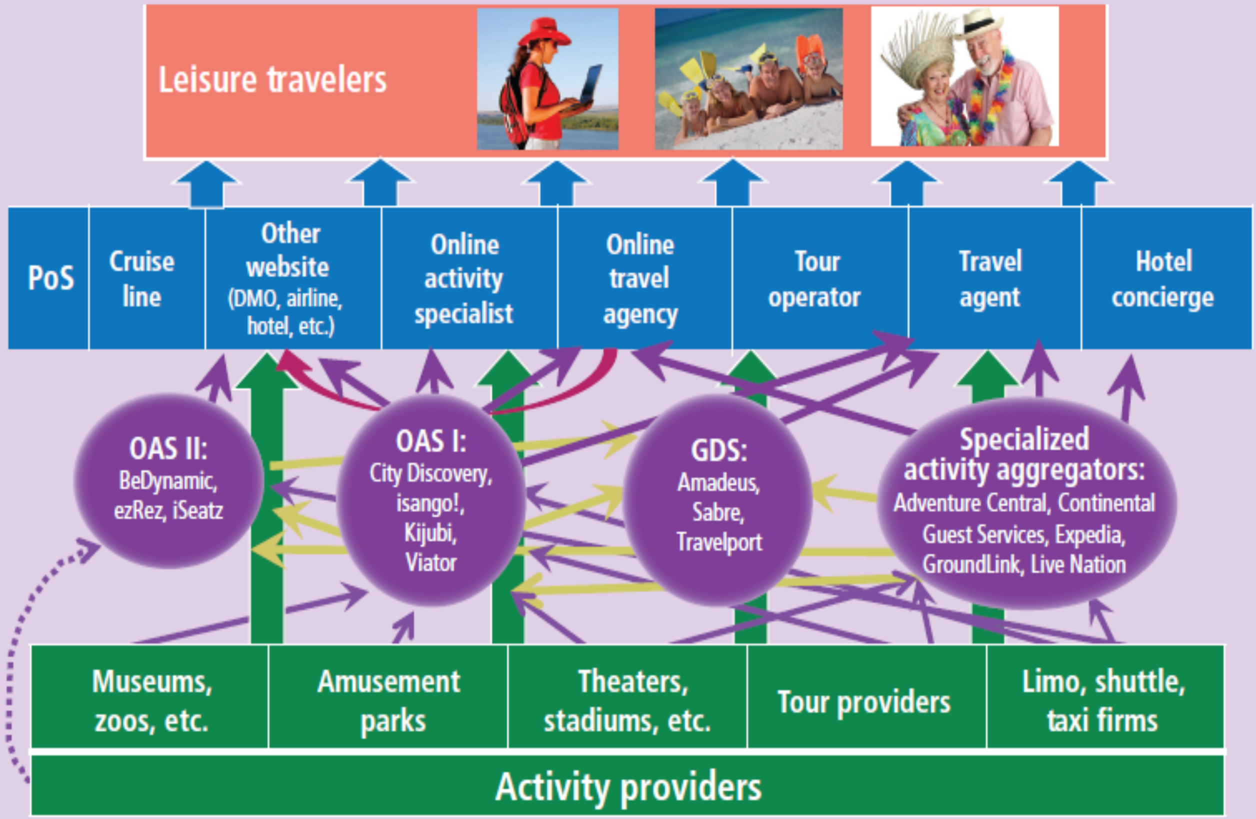
Source: *When They Get There (and Why They Go): Activities, Attractions, Events, and Tours*

Figure 9:
The "Traditional" Travel Distribution Chain



Source: *When They Get There (and Why They Go): Activities, Attractions, Events, and Tours*

Figure 10:
The Travel Activity Market's Tangled Distribution Web

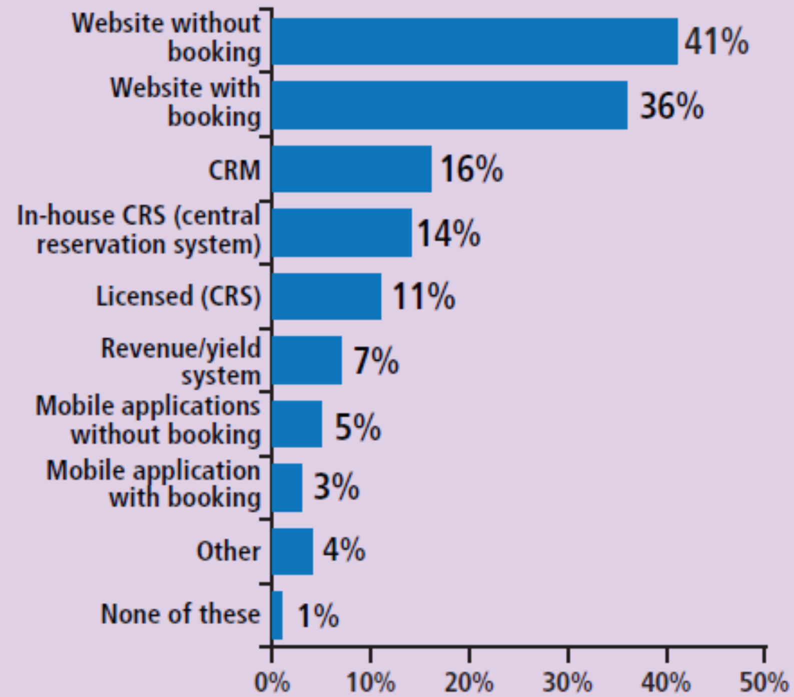


Source: *When They Get There (and Why They Go): Activities, Attractions, Events, and Tours*

Technology Incidence

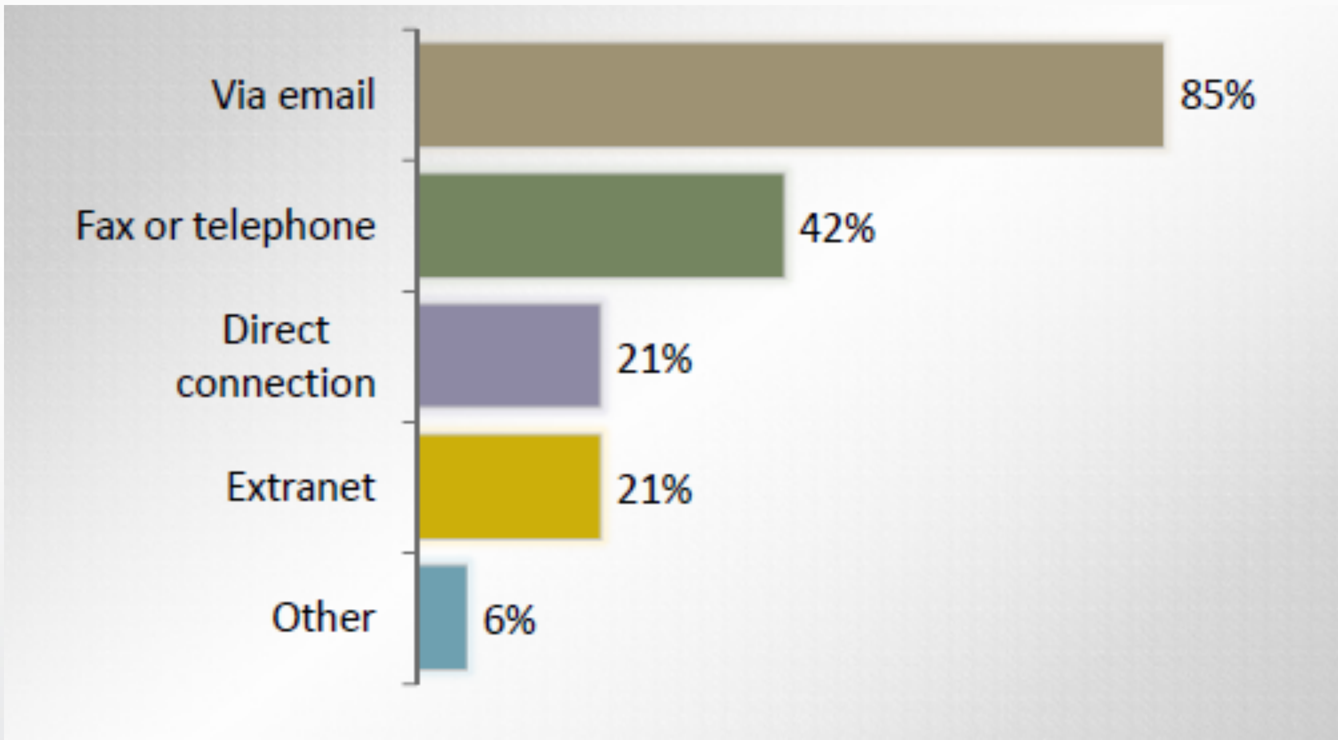
30% NO WEBSITE
14% CRS

Figure 17:
Incidence of Technology System Use



Question: Which of the following technology applications does your company use? Select all that apply.
Base: Activity Providers: 340
Source: *When They Get There (and Why They Go): Activities, Attractions, Events, and Tours*

Distribution Tech



Why not?

Discount required is too high (25%)
Commission is too high (38%)
Display too restrictive (27%)

Moving Forward

Supplier enablement
New distribution opportunities (6 in Q1)
New res systems are coming on board
Open Travel Tour schemas

Reference

PhoCusWright Study

When They Get There & Why They Go

(c) 2010

http://www.phocuswright.com/research_special_reports_when_they_get_there