

New Directions for Educational Travel

Trends that are Changing Your Business

The ETC White Paper



January 30, 2019



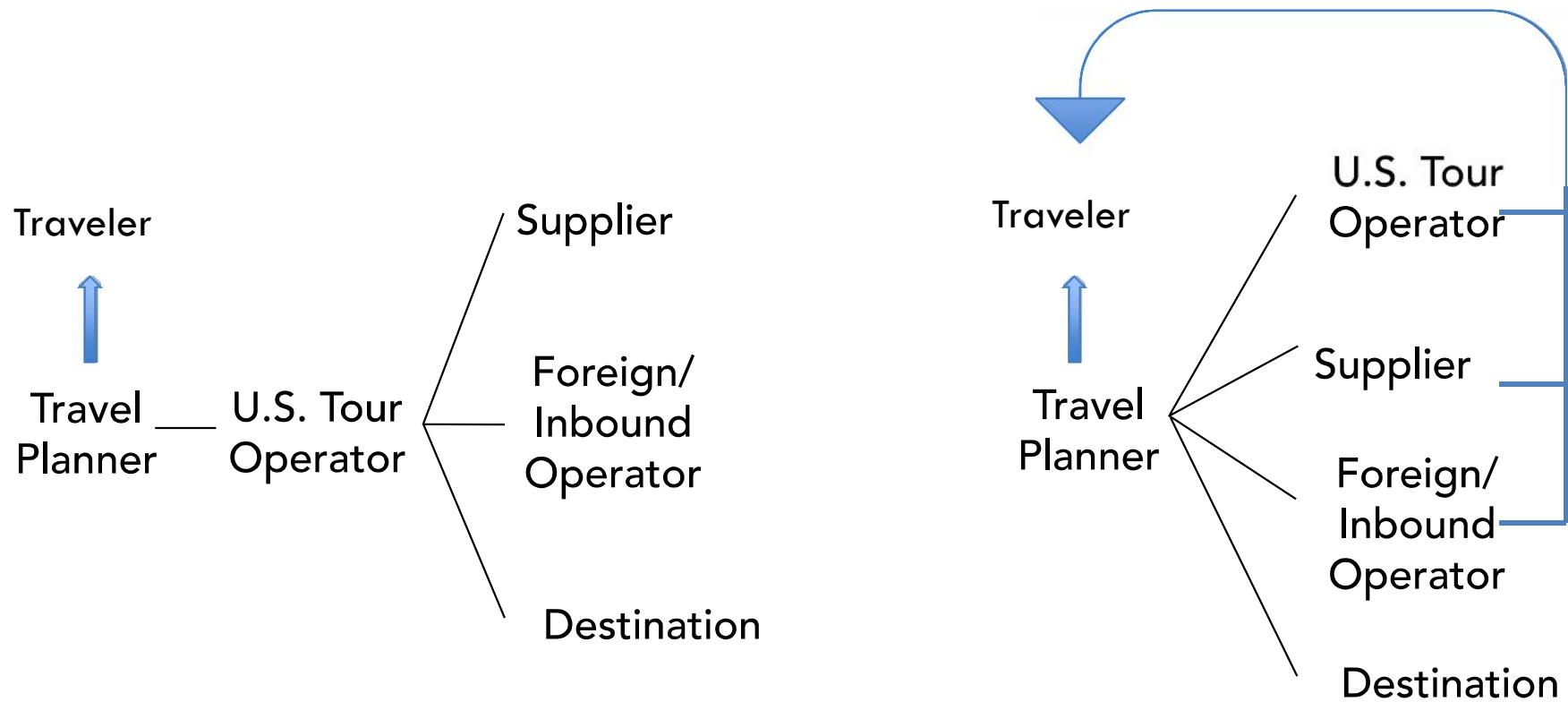
Affinity Travel to Educational Travel

- **A 60 year history**
- **Affinity travel – groups based on industry, interest, institution**
- **Educational travel**
With Affinity by institution
Educational component



The Changing Buyer/Seller Relationship

The changing evolution of the affinity travel supply chain



The Educational Travel Context

- **Over 2,000 tours operated per year***
- **Over 35,000 travelers per year**
- **Over \$100 million trip revenue per year**

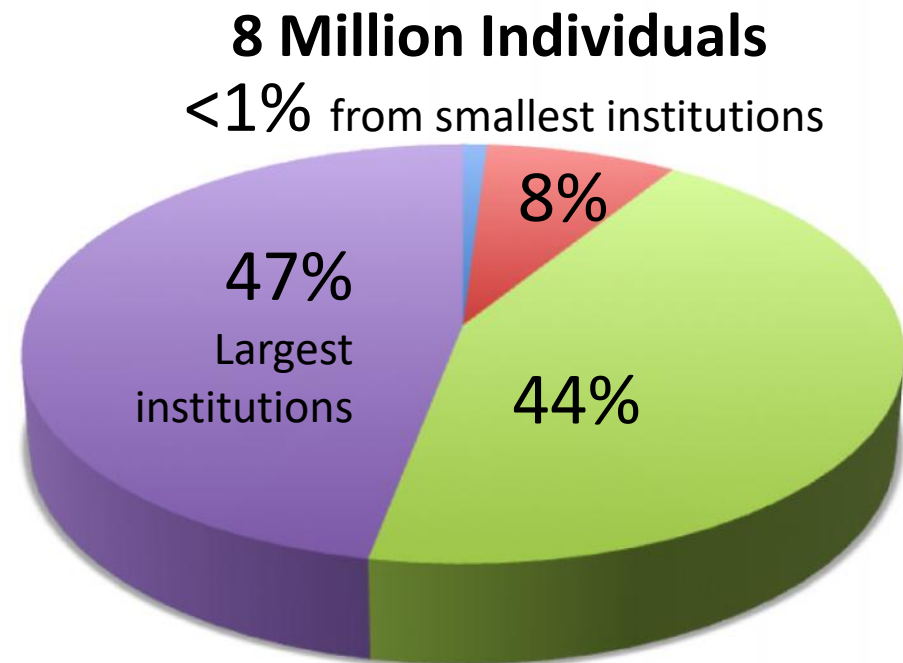
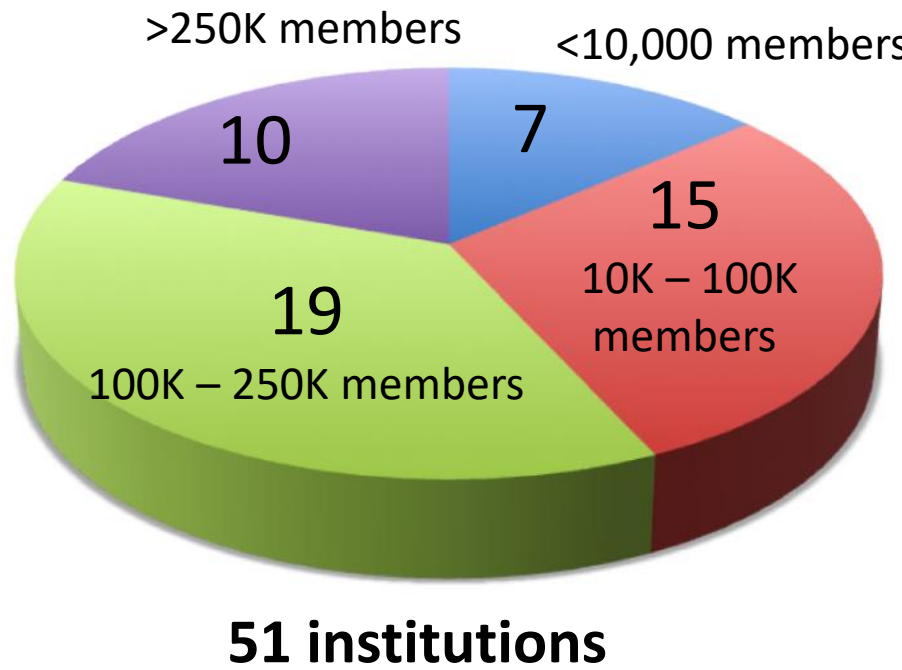
We may be small but we are profitable and growing!



*Based on Travel Planner information as operators would include other types of travel.

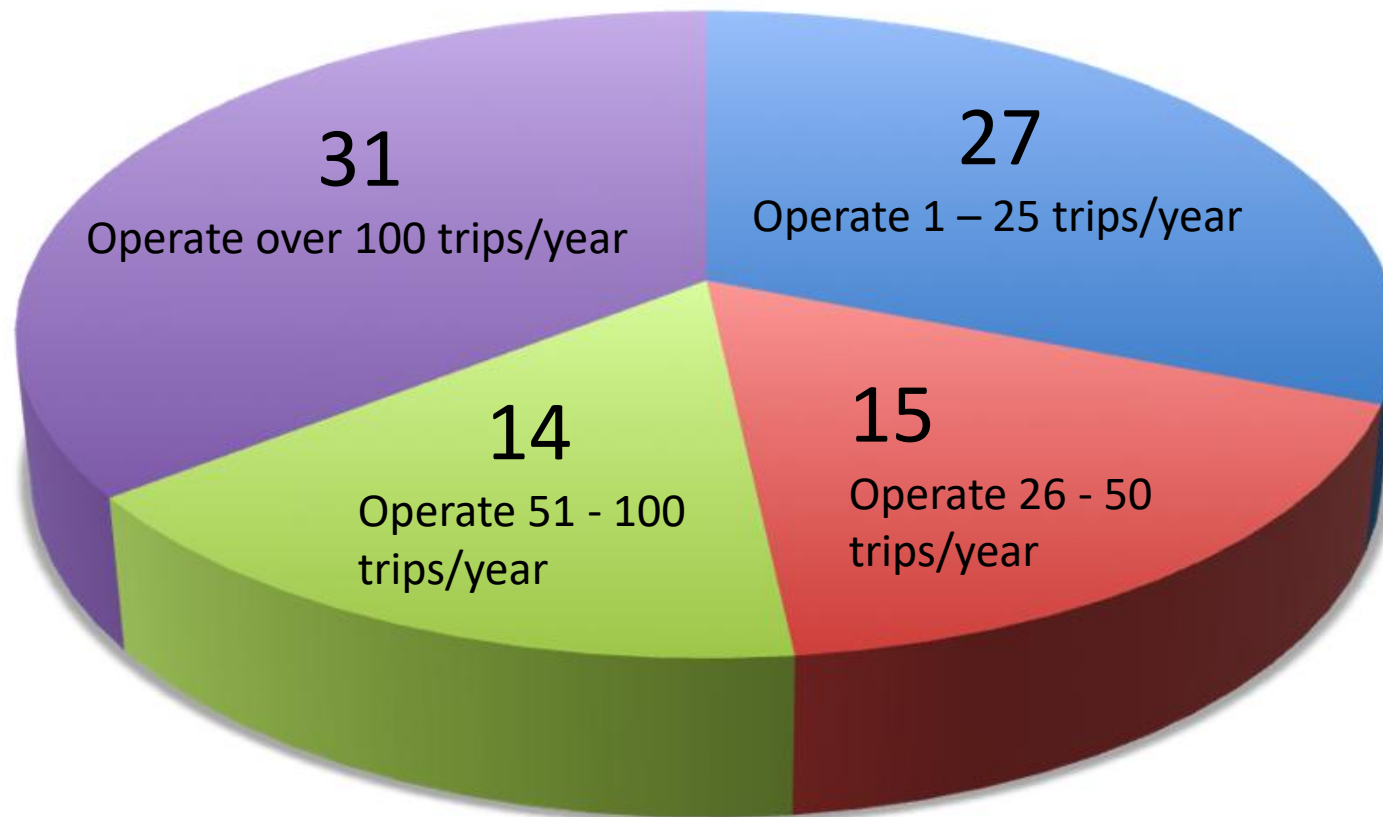
Travel Planners

Average constituency 128,000



Tour Operators

87 Operated Educational trips in the past year



White Paper Information

- **Importance of
Engagement: 8.4 Revenue generation: 7.6**
- **#1 age bracket 60 - 68**
- **On average, an institution has 4,000
“members” per trip offered**
- **Average number of travelers per trip
Cruise: 25 Land: 15**



White Paper Insights

- **Competition:**
 - 1 - Affinity travel
 - 2- Custom travel
- **Educational travel is growing**
 - More alumni
 - More interest
- **#1 Challenge: too little staff!**



Why?

- **Have the facts to advocate for resources!**
- **Get new ideas from similar or different segments**
- **Understand what drives the market**
 - Destinations**
 - Costs**
- **Understand your traveler – engagement and experience**



MILLENNIALS FAST FACTS

This generation is well-educated, tech dependent & looking for a balanced, healthy lifestyle. So, it's no surprise that they are hyper-focused on personal experiences and are very interested in travel. In fact, they travel more than any other generation, including Baby Boomers.

TRAVEL MORE
THAN ANY OTHER
GENERATION, INCLUDING
BABY BOOMERS

COMBINED GLOBAL
SPENDING POWER
+ US \$2.45
TRILLION

96%
AGREED THAT
EXPERIENCES ARE THE
MOST IMPORTANT THING
IN LIFE

27%
OF THE GLOBAL
POPULATION
(2 BILLION PEOPLE)

CHECK THEIR
SMARTPHONES
+ 45 TIMES/DAY

HYPER-CONNECTED
& DIGITALLY DRIVEN
90%
USE SOCIAL MEDIA

SPEND AN
AVERAGE OF
4.5 HOURS
A DAY ON SOCIAL MEDIA

PREFER
COMMUNICATION VIA
**TEXT, EMAIL OR
SOCIAL MEDIA**

Non-Profit Travel



Trends...

- Positive Environment
- Growing Demographic
- Academization of Leisure
- Trusted Source
- Choice & Flexibility





Worldwide Cruise Ship Capacity Growth

- 30 million passengers are expected to cruise in 2019
 - Up 6% from 28.2 million in 2018
 - Almost double of those that cruised in 2009 (17.8 million)
- 15-20 new ships debuting every year for the next two years
- 106 newbuilds on order through 2027 (Cruise Industry News May 2018)
 - Creating 261,812 berths
- As ships are built; design, onboard operations, guest accommodations, etc. are continually evaluated, elevated, and anticipated



Cruise Industry Trend Outlook

- Instagrammable Cruise Travel
- Total Restoration
- Achievement Over Experience
- On-Board with Smart Tech
- Conscious Travel
- Access is the New Luxury
- Gen Z at Sea
- Off-Peak Adventures
- Working Nomads
- Female-Centered Cruising
- Going Solo

2019 CLIA State of the Cruise Industry Outlook

TRAVEL TRENDS

JANUARY 2019



MMGY GLOBAL



WE INSPIRE PEOPLE TO GO PLACES



MMGYGLOBAL

WHAT WE DO



RESEARCH



CREATE



DEPLOY



MEASURE

WHY WE DO IT



UNDERSTAND



INSPIRE



CONNECT



LEARN

AGENDA

- Travel Forecast
- Millennial Travel
- Motivators
- Luxury Travel
- The Politics of Travel





TRAVEL FORECAST:

SLOWDOWN CONTINUES

American leisure travelers

Took a minimum of one vacation at least 75 miles from home with overnight accommodation

Annual Household Income > \$50,000

Nationally representative sample size
(n=2,967)

PORTRAIT *of* AMERICAN TRAVELERS

2018-2019

TRAVEL FORECAST:
NUMBER OF TRIPS

3.3
2017

3.0
2018

2.9
2019
(intended)

TRAVEL FORECAST: SPENDING

2018

\$4,281

2017

\$4,278

On average, travelers intend to spend the same amount on vacations in 2018 as they did in 2017.



TRAVEL FORECAST SPENDING

4%

Travelers intend to spend an average of \$1,475 per vacation, an increase of 4% over 2017.

Source: 2018–2019 MMGY Global Portrait of American Travelers®



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travel horizons™

PERSPECTIVES ON THE TRAVEL INTENTIONS OF AMERICANS

2018 | WAVE ONE | WAVE TWO | WAVE THREE | WAVE FOUR



travel horizons™

PERSPECTIVES ON THE TRAVEL INTENTIONS OF AMERICANS

2017 | WAVE ONE | WAVE TWO | WAVE THREE | WAVE FOUR





TRAVELHORIZONS TRAVELER SENTIMENT INDEX®

Derived from 6 variables associated with the demand for travel:

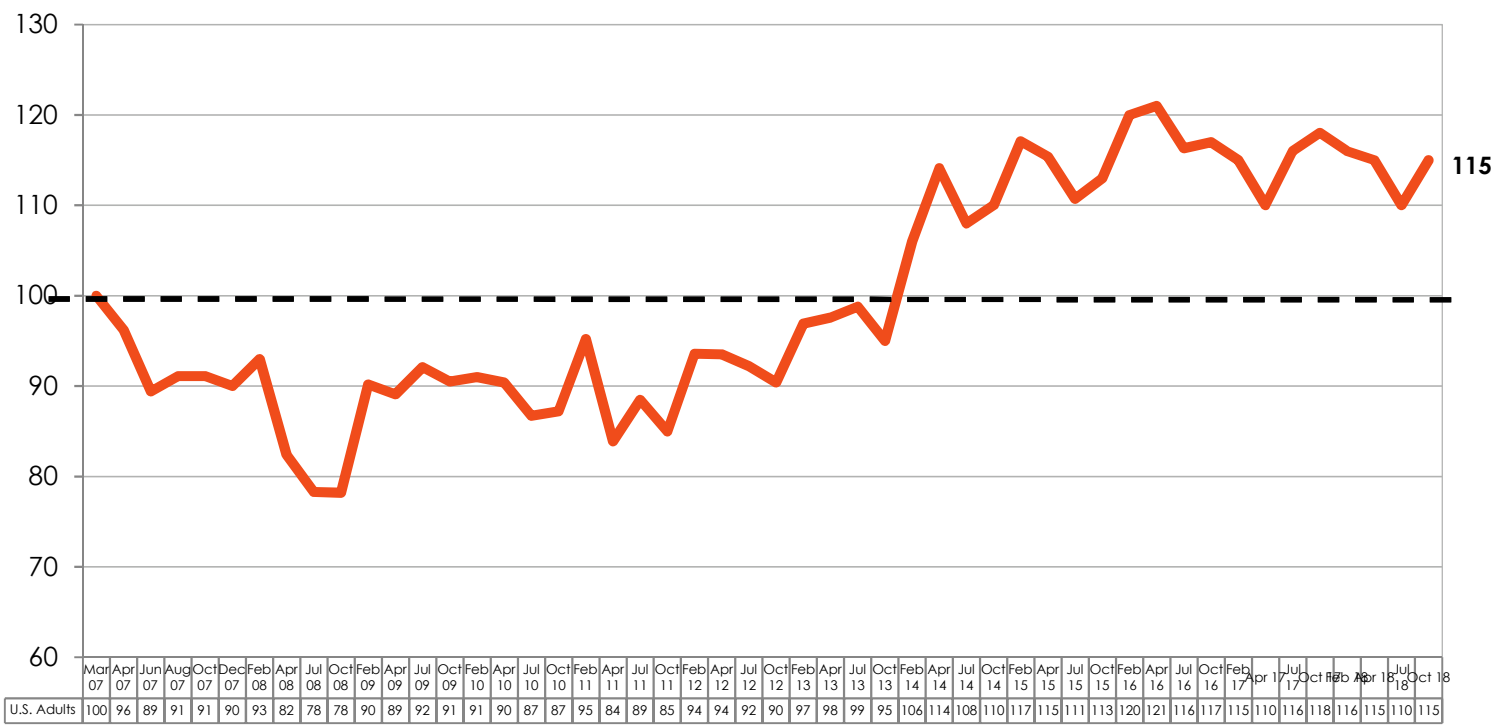
- Interest in travel
- Time for travel
- Personal finances available for travel
- Affordability of travel
- Quality of service
- Perceived safety of travel



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TRAVELER SENTIMENT INDEX™

OVERALL



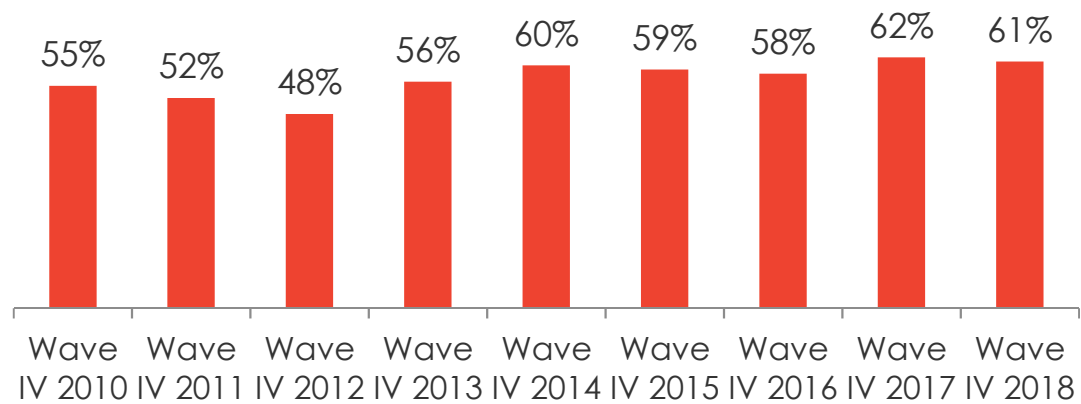
Compiled from Q26– Q32. Base: Total Respondents
 Source: MMGY Global, travelhorizons, Wave IV 2018





LEISURE TRAVEL INTENTIONS

Plan to Take at Least One Leisure Trip during the Next Six Months



Source: travelhorizons™





MILLENNIAL TRAVEL



MILLENNIALS NOW



EARLY STAGE

Young, Investigative,
Moving Target, Unsure



FIGURING IT OUT

Starting to Follow Patterns, Finding
Direction, Establish and Influencing Tastes.



FOUNDATIONAL

Rooted, Predictable, Attached to Affinities.



MILLENNIALS BY LIFE STAGE GENERATIONAL BREAKDOWN

50%

FAMILIES

25%

COUPLES

25%

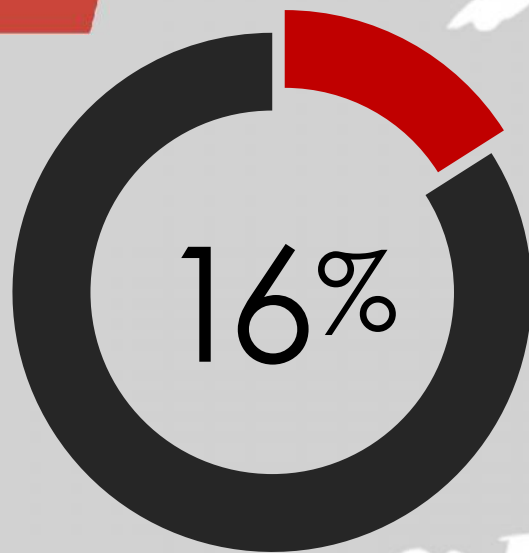
SINGLES

MILLENNIALS BY LIFE STAGE

VACATION SPENDING

HOUSEHOLD SPENDING AVERAGES	MILLENNIAL FAMILIES	MILLENNIAL COUPLES	MILLENNIAL SINGLES
Vacation spend/past 12 months	\$4,099	\$3,949	\$3,295
Vacation spend/next 12 months	\$4,577	\$3,857	\$3,153
Difference (%)	12%	- 2%	- 4%

MILLENNIAL FAMILY HOUSEHOLDS



9.6 million households
29.7 million vacations
\$39.2 billion in travel spend

PORTRAIT



WHY
VACATION?



A person is seen from behind, sitting in a dark hammock strung between two trees in a dense forest. The scene is dimly lit, with sunlight filtering through the trees. The overall mood is peaceful and serene.

WHY VACATION?
LEISURE TRAVEL AS AN INVESTMENT

82%

of all travelers agree: "The memories I get from my vacations make the trip worth it."

Source: 2018-2019 MMGY Global Portrait of American Travelers®



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WHY VACATION?
LEISURE TRAVEL AS AN INVESTMENT

69%

of all travelers agree: "I prefer to focus on making memories rather than acquiring more things."

Source: 2018–2019 MMGY Global Portrait of American Travelers®



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ALL TRAVELERS: VACATION MOTIVATIONS

	2014	2015	2016	2017	2018
Relaxation	75%	80%	89%	88%	88%
Exploration	62%	70%	80%	78%	78%
Experience different cultures	57%	63%	72%	72%	73%
Experience new cuisines	51%	58%	67%	68%	70%
Enhance existing relationships	54%	60%	72%	68%	68%
Self-discovery	40%	43%	51%	53%	52%
Pursue a hobby	35%	35%	44%	43%	45%
Meet new people	35%	37%	47%	47%	42%
Pursue wellness programs/lifestyles	32%	29%	36%	34%	32%
Play/participate in a sport	25%	24%	27%	25%	23%

Source: 2018–2019 MMGY Global Portrait of American Travelers

ALL TRAVELERS: VACATION MOTIVATIONS

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Play/participate in a sport	25%	24%	27%	25%	23%

Source: 2018–2019 MMGY Global Portrait of American Travelers



OPPORTUNITY:
LUXURY



AFFLUENT TRAVELERS



of American travelers are affluent – annual household incomes of \$125,000 or more.

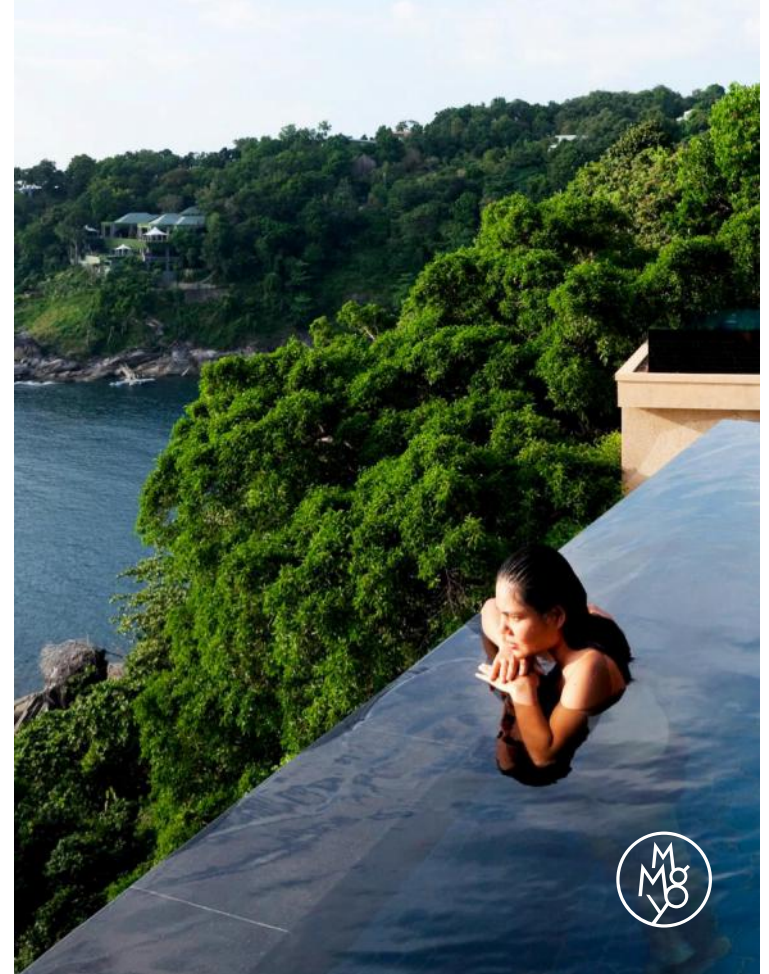
But **only 37%** of affluent travelers are luxury travelers.

PORTRAIT

LUXURY TRAVELERS

- Average age: 49
- 38% are Boomers.
28% are Xers, 29% Millennials
- Average HHI of \$235,000
- 54% have attended graduate school
- 32% have children < 18 or under
43% have adult children

Source: 2018–2019 MMGY Global Portrait of American Travelers[®]



AFFLUENT TRAVELERS

VACATION SPENDING & TRIPS

	LUXURY TRAVELERS	REMAINING AFFLUENT TRAVELERS
Average household vacation spend/past 12 months	\$9,097	\$6,368
Average household intended spend/next 12 months	\$9,083	\$6,426
Difference (%)	0%	1%
Average number of vacations taken/past 12 months	4.1	3.1
Average number of vacations intend to take/next 12 months	3.6	2.9
Difference (%)	-12%	-6%



LUXURY TRAVELERS EXPECTATIONS

78%

“I’m willing to pay the full price on a vacation, as long as I’m guaranteed the quality and service I deserve.”

Remaining affluent travelers: 49%

76%

“I enjoy being treated like a VIP.”

Remaining affluent travelers: 48%

Source: 2018–2019 MMGY Global Portrait of American Travelers®



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LUXURY TRAVELERS EXPECTATIONS

70%

“Luxury travel is a deserved
reward for my hard work.”

Remaining affluent travelers: 44%

Source: 2018–2019 MMGY Global Portrait of American Travelers®



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LUXURY TRAVELERS VACATION MOTIVATIONS

77%

“Going on vacation brings my family and I closer together.”

Remaining affluent travelers: 68%

Source: 2018–2019 MMGY Global Portrait of American Travelers®

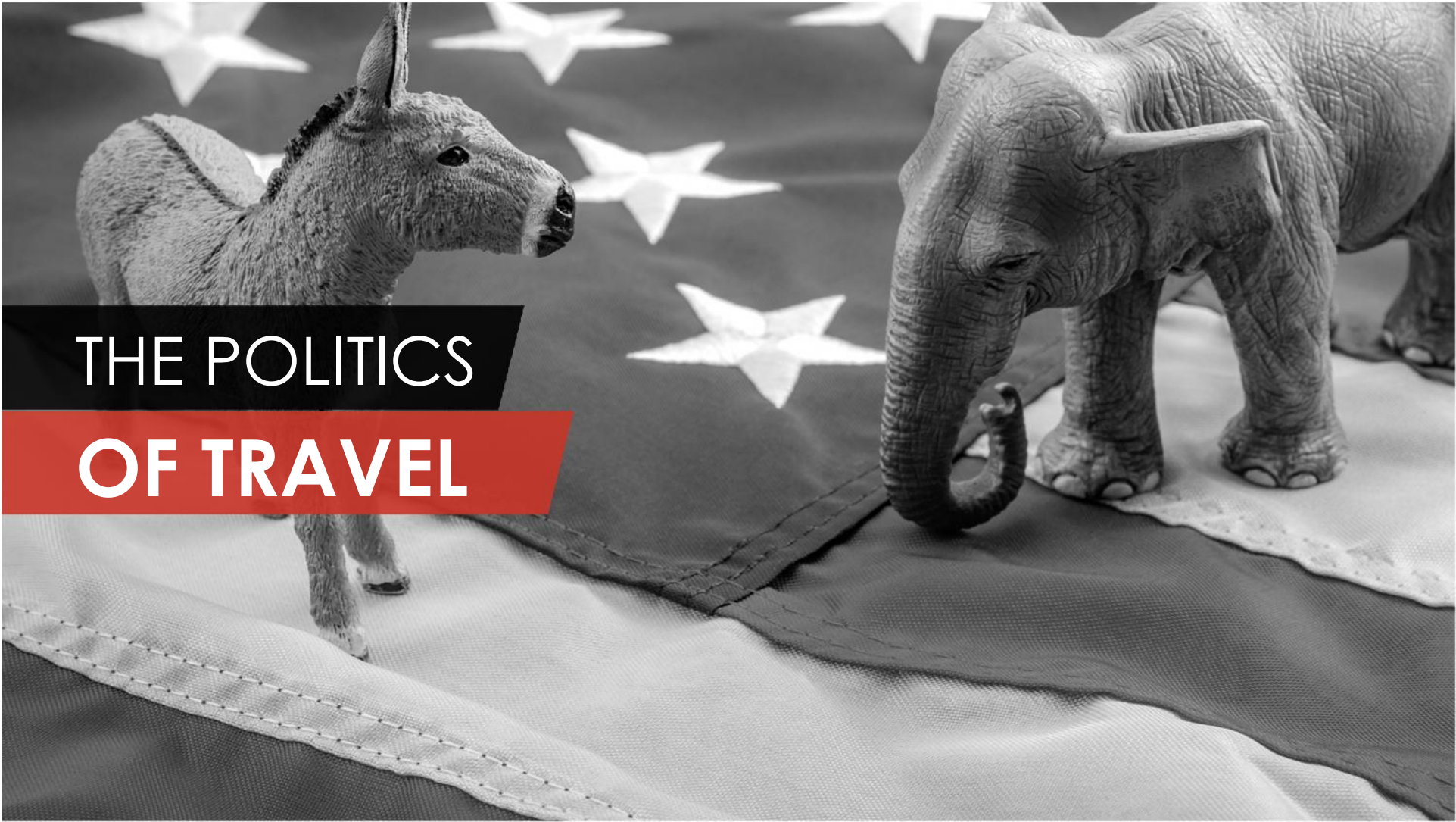


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LUXURY TRAVELERS: VACATION MOTIVATIONS

	LUXURY TRAVELERS	REMAINING AFFLUENT TRAVELERS
Relaxation	94%	85%
Exploration	87%	80%
Experience different cultures	83%	73%
Experience new cuisines	83%	69%
Enhance existing relationships	76%	69%
Self-discovery	56%	48%
Meet new people	47%	39%
Pursue a hobby	45%	42%
Pursue wellness programs/lifestyles	37%	29%
Play/participate in a sport	24%	22%

Source: 2018–2019 MMGY Global Portrait of American Travelers



THE POLITICS
OF TRAVEL

TRAVELERS

POLITICAL ASSOCIATIONS

32%

Consider themselves liberal

29%

Consider themselves conservative

**POLITICAL
TRAVELERS**

VACATION SPENDING & TRIPS

	LIBERAL TRAVELERS	CONSERVATIVE TRAVELERS
Average household vacation spend/past 12 months	\$4,859	\$4,188
Average household intended vacation spend/next 12 months	\$4,790	\$4,165
Difference (%)	-1%	-1%
Average number of vacations taken/past 12 months	3.1	2.7
Average number of vacations intend to take/next 12 months	2.9	2.5
Difference (%)	-6%	-7%

POLITICAL

TRAVELERS

VACATION MOTIVATIONS

	LIBERAL TRAVELERS	CONSERVATIVE TRAVELERS
Relaxation	90%	94%
Exploration	86%	80%
Experience different cultures	82%	68%
Experience new cuisines	80%	64%
Enhance existing relationships	73%	70%
Self-discovery	62%	43%
Pursue a hobby	47%	47%
Meet new people	45%	39%
Pursue wellness programs/lifestyles	31%	28%
Play/participate in a sport	22%	20%

POLITICS

OPTIMISTIC ABOUT

	LIBERAL TRAVELERS	CONSERVATIVE TRAVELERS
The future of your children	75%	86%
Your own future	77%	82%
The future of your job	67%	74%
The future of the company you work for	58%	70%
The future of America	22%	66%
The future of the world	32%	49%

POLITICS

DO MORE OF WHILE ON VACATION...

While on Vacation...	LIBERAL TRAVELERS	CONSERVATIVE TRAVELERS
Eat more than at home	58%	51%
Drink more alcoholic beverages than at home	45%	33%
Have more sex than at home	29%	24%

THANK YOU, LET'S DISCUSS.

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