

The New Forecast for International Travel to the U.S. 2015–2020

BY SCOTT C. JOHNSON

“THE ONLY THING that is constant is change.” The famous statement of Heraclitus truly reflects trends in international travel to the U.S. in the past six years. You would need to be living under a rock to not have recognized the positive impact of global visitation growth on the U.S. travel industry.

Between 2009 and 2014, the number of international visits to the U.S. has outpaced global growth and greatly exceeded U.S. domestic travel. International visitation to the U.S. increased 36% in just five years. Overseas travel to the U.S., which

excludes Canada and Mexico, has grown even faster (up 45% from 2009–14).

Some of the strongest overseas growth has come from emerging markets such as China, Brazil and India. China’s incredible growth has not gone unnoticed as more U.S.-based suppliers and destinations focus marketing efforts to draw Chinese visitors. For some, China has displaced the United Kingdom as the top overseas visitor market, e.g., cities such as Boston and Washington, D.C. Brazil has also become a top market for some U.S. destinations.

Change in the global economy has caused some marketers to worry that the soaring growth may start to falter. The exchange rate is top of mind for many. However, despite economic woes in China and especially in Brazil, visits are still projected to increase strongly in the next five years. India has also received a great deal of attention and is still projected to outpace most overseas markets.

Chart 1 shows the projected growth by top overseas markets from 2014 to 2020. Clearly, China’s projected growth overshadows all other markets.

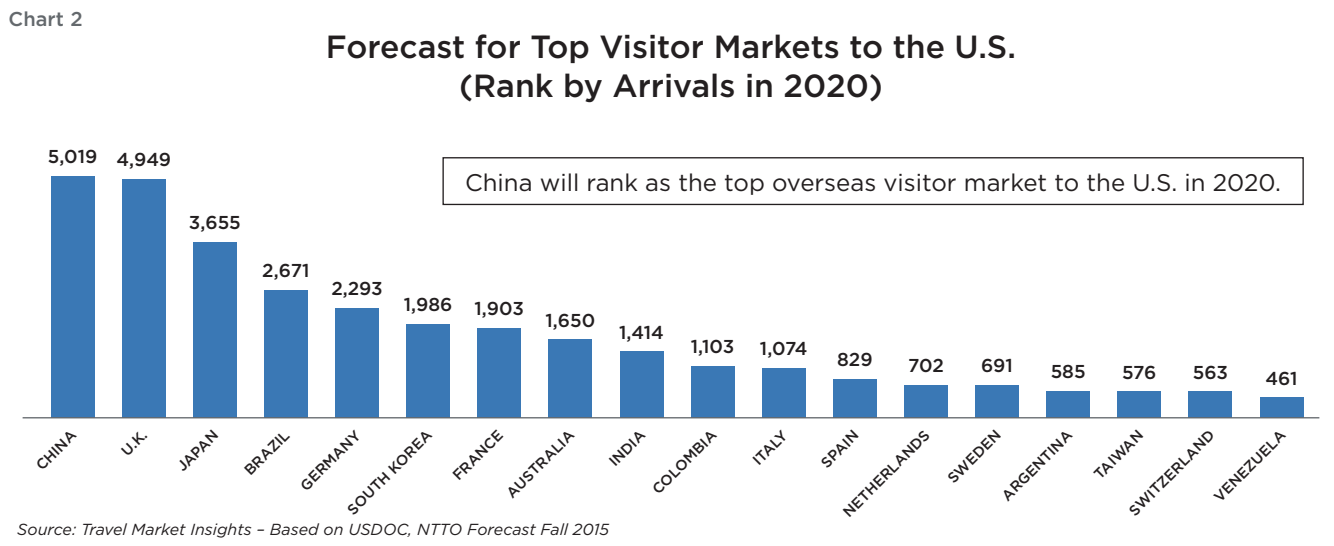
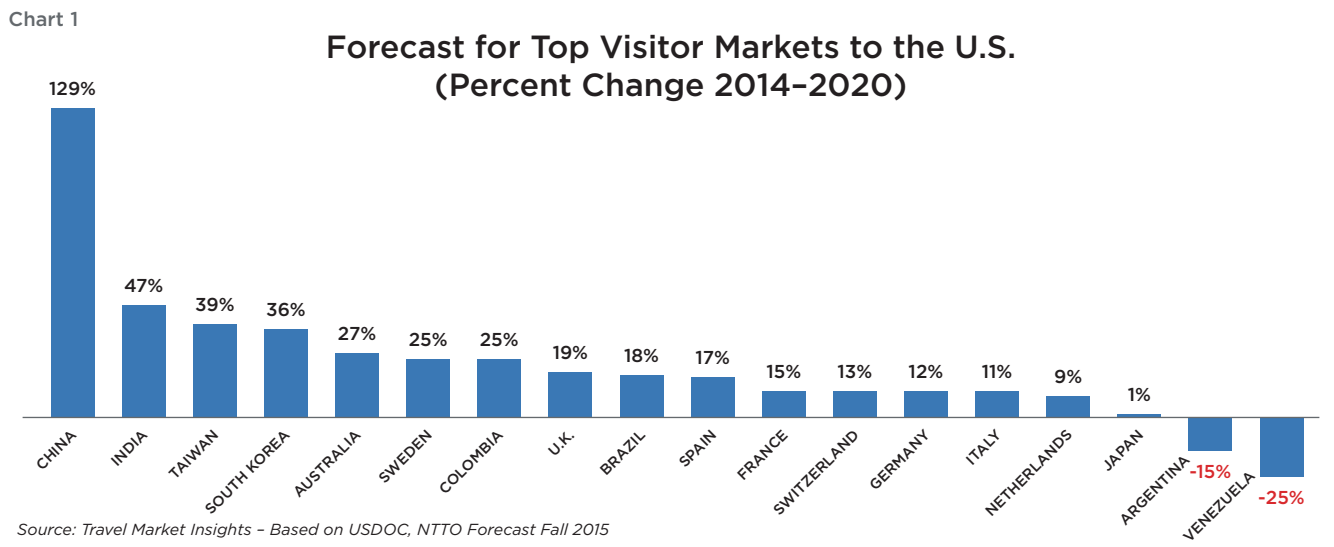
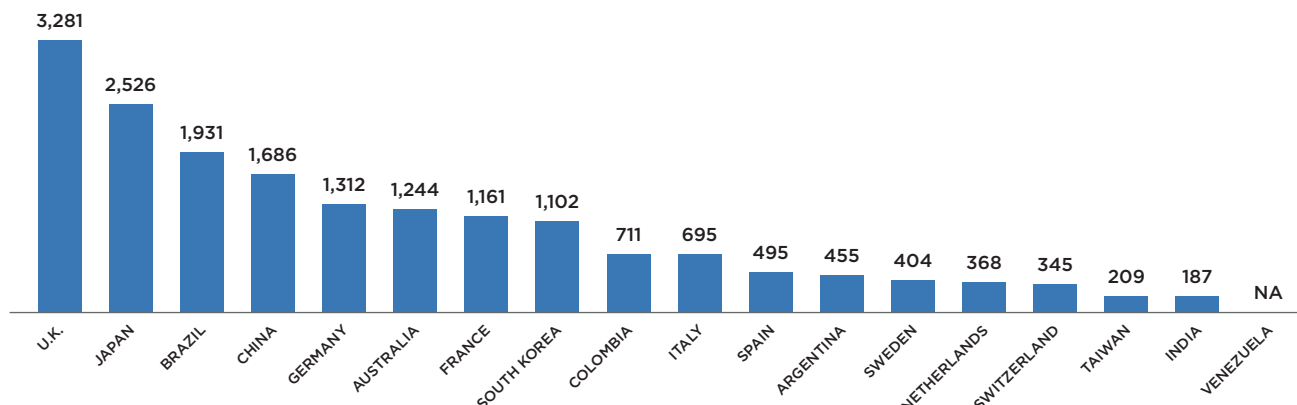


Chart 3

Forecast for Top Vacation Visitors to the U.S. (2020 Rank by Visitor Volume)



Source: Travel Market Insights – Based on USDOC, NTTO Forecast Fall 2015; Vacation = Main Purpose to Trip Vacation/Holiday

Chart 2 shows the ranking of top markets by visitor volume in 2020, based on the latest forecast. You can clearly see that China and the U.K. will be competing for the top spot, despite the U.K. not growing at the pace of China.

Chart 3 takes the same forecast but projects it for vacation visitors by the

top overseas markets. The first thing to note is China in 2020 will likely rank fourth for vacation visitors. The U.K. and Japan will claim the top two spots. Brazil, which is already a strong vacation market, will rank ahead of China. It's also worth pointing out how India's rank will fall to the back of the pack

(from being the second-fastest growing visitor market in Chart 1) when you look at vacation visitor volume in 2020.

Given that the majority of promotional efforts by U.S. suppliers and destinations are focused on expanding vacation travel, it is clear that those that have been reliant on mature markets should stay committed. At the same time, to remain competitive, the emerging markets must be part of the market mix going forward.

Key Takeaway: Change is inevitable. To embrace change wisely, U.S. suppliers and destinations must look beyond the headlines that focus only on percent change. It is imperative to dig deeper and look at the visitor mix for vacation, business and convention visits to determine what markets need to be part of your strategic plan.

Results in this article are derived from the U.S. Department of Commerce, National Travel and Tourism Office's 2015 Fall Travel Forecast, and custom analysis of visitor markets by Scott Johnson, president of Travel Market Insights Inc. Additional insight for this article comes from Travel Market Insights Inbound Travel Monitor program, which models travel trends to and within the United States. This program provides U.S. destinations with early indicators for visitor arrivals. To learn more about Travel Market Insights Inbound Travel Monitor, contact Scott C. Johnson at scott@travelmi.com.



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