



For Immediate Release

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USTOA Survey: Tour Operators Report Increased Business In 2006

Europe Leads in Sales Growth, Latin America Close Behind

The packaged travel business continued to experience healthy growth in 2006, with companies reporting 2006 sales surpassing levels achieved in the banner year of 2000, according to the United States Tour Operators Association. According to results of a newly-released informal survey of USTOA members -- who move 11 million passengers yearly -- more than 60% of respondents saw an overall increase in sales for 2006, with 28% reporting business unchanged from 2000. Of companies reporting increased sales, more than 50% saw 2006 sales increase by 20 – 25%, while 25% of respondents reported increases of 35% or more.

Europe- East and West -- Tops In Growth

Western Europe tied with Central Europe/Baltics/Russia as the destinations with the highest year-over-year growth in 2006 for packaged travel, according to survey results. The Continent was followed closely by Latin America, with Alaska a distant third.

Where The Bookings Come From

When it comes to sales channels the phone continued to lead as the major source of agent bookings. Nearly 98% of respondents said that the phone is responsible for an average 70% of total bookings. While online bookings are

becoming more widespread, with 94% of tour operators reporting receiving reservations via computer , this channel only accounted for less than a quarter (23%) of total bookings. In contrast, less than half of responding tour operators (48%) said they receive fax bookings, which only account for an average 6% of overall reservations. And traditional advertising still plays a role, as 46% of respondents cited that an average 10% of bookings were advertising-driven.

"These figures demonstrate that, while new technology is gaining, travel agents still want a live person to talk to. There is no substitute for the human touch when booking a vacation," says Bob Whitley, USTOA president.

On the distribution front, home-based agents represent a growing portion of tour operator bookings. More than half of respondents said home-based agents account for 10-20% of sales, while 15% of responding tour operators reported home-based agent sales representing between 80- to-100% of bookings.

New Passport Requirement

Reactions were mixed when asked whether the new passport regulations would affect business. Eighty-seven percent of respondents said their business would not be affected, while 13% said it would be. Those who cited an effect saw sales to Canada as most affected. Of those who saw no effect, one USTOA member commented that the new passport regulations have helped young people to apply for passports, and another company stated, "Having a passport is necessary and important."

USTOA Member Profile

Continuing the trend toward representing multiple areas, nearly 90% of USTOA survey respondents reported that they serve multi-destinations rather than specialize in a given area. Major product area by sales are: Europe/Eastern Mediterranean (nearly 40%), USA/Canada (20%), Asia (nearly 15%), and Caribbean/Latin America (nearly 15%).

Survey respondents represent 65 of the top brand names in packaged travel, or 72% of USTOA's Corporate members.

USTOA member companies have met the travel industry's highest standards, including participation in the USTOA Travelers Assistance Program, which among other things requires each USTOA Active member company to set aside \$1 million to reimburse consumers in case the company goes out of business. For more information and a listing of USTOA Member companies, visit www.ustoa.com.

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