

# New Landscape Report

## 2022

THE NETHERLANDS



TRAVEL  
SOUTH  
USA

# A NEW YEAR WITH EVEN MORE OPPORTUNITIES

While the year 2020 left us thinking that 2021 would certainly have to be better, in reality 2021 was even more difficult for everyone – it tested our perseverance, our stamina and our collective resourcefulness. In the wake of the COVID-19 pandemic certainly no one would argue that the landscape of the travel and tourism industry has changed dramatically, and quite possibly permanently. But as early 2022 unfolds, we are more convinced than ever that we are now on the road to recovery.

On November 10, 2021, the U.S. Ambassador's Residence in The Hague was the site chosen to mark the reopening of travel to the United States for vaccinated Dutch travelers. The event was perfectly positioned just two days after the U.S. border reopened. We celebrated this reopening with an event for trade partners and members to reconnect in an informal setting. We felt connected and this was likewise expressed by Mrs. Marja Verloop, Chargé d'Affaires a.i. for the United States of America (pictured below, first row, purple blazer). This landmark event was filled with positive energy, exchanges of ideas and overall optimism for the future of our travel economy.

Since the event we have all been riding out the next wave of COVID-19, as the Omicron variant swept over the country and the world. Figures are now steadily declining, which have led to lifting all restrictions for Dutch citizens, and along with that a growing appetite for travel and travel planning. Tour operators are reporting increased business activities and confirming that their clients are anxious to travel again.

We remain hopeful that 2022 is the year that we have all been longing for, a year in which the booming travel industry returns!



# EXECUTIVE SUMMARY

- The Dutch economy is very strong. Last year the economy grew 4.8%, the highest growth in 20 years. More exports and increased household spending are the reasons. After a historic decrease in 2020 this was very welcome news, with further growth is expected in 2023 and beyond. The amount of personal savings is also growing with increasing disposable income, and people are encouraged to spend due to low interest rates on savings. The increasing inflation rate, which is in line with other European countries, is unlikely to affect travel.
- Due to good government support packages for wages and fixed costs, the rate of bankruptcies is historically low; it has not been at the current level since 1981. This is also true in travel trade with only a very small number of companies going bankrupt - Tenzing Travel, Pacific Island Travel (with a re-start per February 2022), and D-Reizen. However, home-based travel agents were isolated and not eligible for support packages which resulted in a fair amount of people leaving the industry for health care careers.
- Flights have resumed again, and even new routes are added, such as the flight with Icelandair to Raleigh-Durham as from May 22. Airlines with the largest networks and highest sales serving AMS (Schiphol, Amsterdam) are Delta, KLM, United, Lufthansa and Virgin Atlantic; followed by Aer Lingus, American Airlines, SAS, Icelandair, TAP Air Portugal, BA, Swiss, Air Canada, Finnair and Air Europe.
- Effective immediately, travel advisories will no longer be linked to COVID-19. This means countries marked as “orange” (only travel if strictly necessary) will turn “yellow” (safe but with precaution) or “green” (safe to travel) again, which means a lift of the restrictions. This impacts a list of 30+ countries, including the USA. In addition, almost all restrictions are lifted as of February 25, 2022, but face masks will be still mandated in public transport and in airports. Borders are fully open to the USA but entry and exit testing is still required. At this moment the government still requires a negative test (NAAT(PCR)-test) of maximum 48 hours or a rapid test of maximum 24 hours. We will let you know as soon as this changes on the government page
- Vaccination percentage is high. The vaccination program began on January 6, 2021, and today 86% of the population is fully vaccinated and 61% of the population has received their booster as well.
- The Netherlands represents a market of 17.5 million people with expected growth to 18.1 million by 2030 (25% over the age of 60). The Dutch receive an 8% annual bonus paycheck called ‘vacation payout’. And the average Dutch worker has a minimum of 25 vacation days and around 10 public holidays.

## EXECUTIVE SUMMARY cont...

- Pre-Covid, 83% of the population took at least one vacation per year. Current appetite for travel has not changed; 8 out of 10 Dutch people planning to go on at least one vacation this year. The majority of travelers in 2022 will likely choose a domestic or inter-European trip, but long haul travel and in specific to the USA is expected to rebound this summer with bookings starting this April and May.
- In 2019, 727,229 visitors to the USA came from The Netherlands, dropping to just over 56,000 in 2021(OTTI, 2021). This number is expected to substantially rebound in 2023 and recover quickly. Dutch arrivals to the USA consist of 80% leisure and 20% business travel.
- The average amount of days spent per USA vacation is 18 days. The Dutch prefer to travel within the USA by car or RV with a typical USA vacation consisting of a two-week road trip bookended with a week at the beginning or end for relaxation.
- About 4% of Dutch people visit the USA annually. With a significant number of repeat visitors, there is a lot of potential for areas like Travel South. Additionally, an aging population opens up the potential for marketing shoulder season travel, in favor of lower costs and less crowds.
- Additional travel trends noted from the Dutch market including sustainable travel, authentic experience, connecting with nature, off-the-beaten-path travel.
- Economic conditions, increasing travel freedoms, appetite for travel and consumer travel trends create a very favorable market for growth for the Travel South tourism product in the Dutch travel marketplace.

# Overview

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# **Factors Affecting Travel**

# ECONOMIC OUTLOOK



## Back on track

During the lockdowns in 2020 and 2021, the economy and society came to a still. But we have shown to be resilient. Currently nearly all restrictions have been lifted (except for face masks in public transport and on the airports), and we see a quick recovery of the Dutch economy, which was heavily effected due to COVID-19 (figure 1). But thanks to good government support packages on wages and fixed costs, the financial credibility of most entrepreneurs, and the level of vaccinations, the recovery was quicker than expected. The economic growth was 3.9% for 2021 and we expect another growth of 3.5% for 2022. In Q3 2021, the Dutch economy was back on pre-COVID-19 level. In this respect, the Netherlands performs better than Europe as a whole. The economic growth in Europe was 2.4%. For your reference, there is an expected growth of 7% of the economy in the USA for 2022.

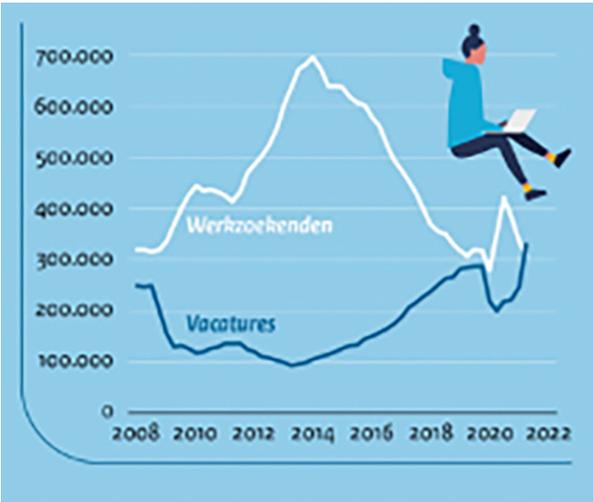
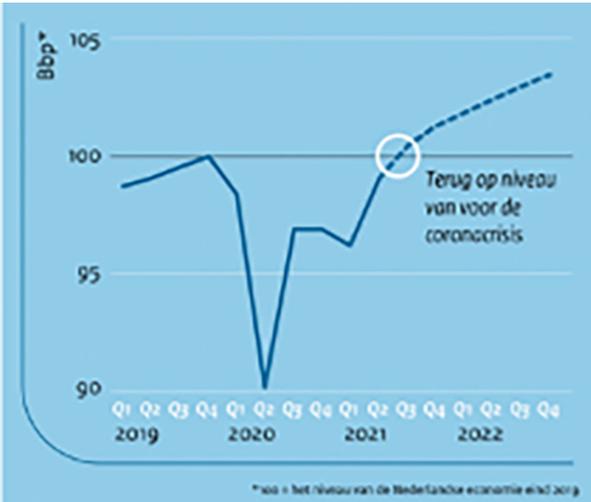


Figure 1 (left) - Level of the Dutch Economy (Rijksoverheid, 2022)

Figure 2 (right) - Job seekers vs. vacancies in the Netherlands (Rijksoverheid, 2022)

# ECONOMIC OUTLOOK cont...

## Tight labor market

The economic recovery is also shown in the labor market. The rate of unemployment was 3.4% in 2019 and raised to 3.8% in 2020 (figure 2). It is expected that the rate will stay low with 3.4% in 2022 as in 2021. Currently, there are more vacancies than people seeking jobs. When we compare this to other countries in Europe and the USA, we perform well. In the USA the unemployment rate is also very low, 2.6% with a deficit on labor. If we compare with other European countries, Italy shows an unemployment rate of 9.6% and even a strong economy as Germany is showing a rate of 5.2%.

## Strong economic government support packages and less bankruptcies

For already 2 years, the government is supporting companies financially to get through the COVID-19 crisis. Financial support packages such as NOW (support on wages) and TVL (reimbursement fixed costs) were based on the decline on turnover. Delay of tax payments should be paid back to the government. These packages led to far less bankruptcies in 2021 compared to 2020, a 43% difference. In 2020 the number was comparable to other years. The number of bankruptcies was the lowest in 31 years last year.

## Savings, ready to be spend

Dutch consumers saved a lot the last 10 years with record breaking figures during the pandemic. In 2020, the total amount of savings was 326,6 billion. Together with the 8% vacation money bonus the Dutch receive in May, we can say that money is not an issue for booking a long haul trip and to the USA in specific.

## Influence of the currency rate

Due to the stronger economy in the USA, the dollar is not at its most favorable currency exchange rate (as per March 1, 2022, € 1.- is \$ 1.12). However, this hardly effects the decision for a Dutch person to book or not. Most of the payments up front are made in Euros, such as the flight and accommodation package. Travelers notices the currency rate after they get back when they see their credit card summary. But when they are in the USA this is not preventing them from doing anything.

## Consumer confidence is low, but not in travel

Research done by ABN AMRO Bank shows an expectation that consumers will spend in 2022 more on eating out and travel as soon as the restrictions are lifted. The retail is only growing with 1%, mainly caused by increasing prices. Nonfood is increasing, after a disastrous year in 2021, with losses over 20%. They expect a growth of 7% in 2022.

## ECONOMIC OUTLOOK cont...

The ratio of consumer confidence is decreasing. Main cause is the high rise of energy prices. On a positive note, the confidence is higher for the coming 12 months as it was for the previous 12 months. Confidence dropped mainly because of the energy prices and people making less investments in furniture or electronics. For travel plans the effect of the consumer confidence is far less, the Dutch desire, or even urge to travel is that big that this is not affected. The confidence to travel is there. Expectations is that the vacation participation will go to the pre-COVID level of over 80%. However, the division between domestic, Europe and long-haul travel will show a shift. More people discovered domestic travel and the market share for Europe will grow.

Positive news for the in general decreasing intercontinental market, is that this will not affect the USA a lot. It will have a larger negative effect on travel to Asia, Africa, South America, and Australia. First three continents because of hesitance concerning health and safety, and Australia because of the strict regulations. The latest developments in the Ukraine will only strengthen this, they do not want to fly over warzones; going westbound will increase in popularity.

# GLOBAL INDUSTRY TRENDS

## (No) COVID restrictions on society

Omicron changed the strategy of COVID-19. Far less dangerous than the other variants, although very contagious. Currently, The Netherlands only has 168 people on the intensive care with COVID-19. 86,4% of the population is fully vaccinated and 61,3% got their booster shot. These figures are the most important indicators for the government to lift restrictions. Everything will be open again, social distancing is also not obliged anymore. A mouth mask is only required in public transport and at airports. The obligation to go in quarantine after a foreign trip is also not applicable anymore. However, being vaccinated and tested is still a requirement by the US Government. Society wants to go back to normal again.

The COVID-19 figures are not leading anymore on travel restrictions. To travel to the USA, it is sufficient to be fully vaccinated in combination with a valid test (Max 24 hours old) to enter. To return to the Netherlands you need a negative test result (NAAT/PCR) of max. 48 hours or a rapid test of max 24 hours old. You also need to fill in a health declaration to show at the airport upon return. However, it would be very positive if these testing regulations will change as well. It has been lifted within Europe already and has increased bookings, also for families. For the latter it is still challenging, especially when traveling with children under 18. They do not need to be vaccinated, but they do have to test, which can make people hesitant to book.

The color code for the USA is green. This means it is considered safe to travel to the USA and the travel insurance was as it was before the pandemic. The USA is the remaining number 1 long-haul destination as stated before and will continue in popularity.



Figure 3 - USA is color code green again and color codes worldwide (2022)

# ECONOMIC OUTLOOK cont...

## Global travel trends

After the pandemic a lot of questions arose; Is this a big break from the past? Is it an acceleration of trends compared to pre-COVID? Most important to remember is: Travel is a human need. Travel as the default human condition.

But some things will change structurally. The future of work determines the future of business travel and events. We are at the dawn of a revolution in interaction technology. Working from home speeded this up and will reflect in all our actions, including the way we travel and search for travel possibilities. This will lead to new consumer behaviors, new ways of buying travel online.

It is also the time for the creative future of travel. We expect that there will be more importance for specialized companies on sustainable and authentic and off the beaten path and luxury travel. Some other items will disappear such as single purpose business travel and ultra-long-haul flights.

Climate and sustainability have become more and more important as well. This will affect the way we look at travel, as we want to contribute to a cleaner environment and stay in healthy places with wide open spaces. Climate activism will have a bigger effect on travel than tech disruption. The rise of the environmental conscious traveler is not just a buzzword anymore. It reflects the new daily realities of our lives. Travel South offers a lot appealing to the environmental conscious traveler with sustainable, authentic and off the beaten path experiences.

The future traveler is looking for experiences, not only products and destinations. People who sell vacations need to address in the consumer's language: People, Planet, Purpose. Technology needs to be implemented to make travel efficient, comfortable, and spontaneous (Travel Experience Tomorrow/ANVR, 2021). The demand of consumers is changing, there has been a cut in their loyalty towards companies.

Vacations are not only for relaxation. We want more personal, healthier, spontaneous, and sustainable experiences. Traveling is becoming a part of our daily lifestyle. Traveling is part of an exploration journey, adding to the personal growth. Personal attention is key. Being away from daily routines and balance are key.

Reliability and transparency are important to the consumer. Individual travel will only grow more. There is a high demand for safety. Learning locals and local habits, getting inspired, challenging yourself, contributing to a better world and self-development will be important. Traveling as a way of life is not only for hippies, the all-exclusive bucket list is for a larger group of people.

## ECONOMIC OUTLOOK cont...

Distracting from the global trends we would like to emphasize on following trends that are global, but also very applicable for the Travel South Region. We consider the Travel South Region as a high potential region to go to as they fit in in so many current trends.

- **Sustainability:** The biggest trend is people being more sustainable and environmentally aware. Travelers choose sustainable options to protect and preserve nature. However, it is not always about nature, it is also about leaving a positive impact on other cultures, go off the beaten track and supporting locals. (Jady, 2022)
- **Authenticity:** Authenticity in travel is gaining popularity. These are once in a lifetime experience. By getting off the beaten track, authenticity is experienced. From sleeping in an unusual place to eating uncommon foods. This way, knowledge about locals and local cultures and traditions are gained firsthand. (Jady, 2022)
- **Flexibility:** Due to the pandemic and the lockdowns, people are ready for more positivity, spontaneity, and flexibility. Vacations will be booked with a 'go with the flow' attitude, with less structure and previous planned activities. Even when choosing a destination, the Dutch people will become more flexible. Travelers are searching for accommodations without specifying a location. (De Zondag, 2021)
- **Off the beaten path and away from mass tourism:** People will want to visit new bucket list destinations and realize postponed dream vacations. Off the beaten path, more attention for local impact and sustainability. Together with sustainability there is a desire for slowcations. Rural areas will flourish, and new destinations will be added to the list of destinations to visit.
- **Luxury:** People have money and want to spend it. The group of people inheriting money from baby boomers is growing and forms an interesting target group with the baby boomers self. A growing group that loves quality in everything, their food, their accommodation, their activities. These do not always need to be the most expensive options, but the quality must be good. They enjoy life and they can afford to spend on quality. They love to go out, good food. They love exclusivity and coming home with stories not everybody can tell. They like VIP tickets for an event, boutique hotels, enjoy added value to their trip. They are member of service clubs, play golf, and/or sail. They love wine, art and like to experience this at their vacation. They love traditions and etiquette. Eating in a good restaurant, doing a bourbon tasting or attending a Christmas concert. They love gadgets, like electronic devices on their hotel room or in their rental car. They like museums, theatre, cultural activities, and art in general.
- **Last-minute bookings:** A trend we already saw that has become more significant is the number of last-minute bookings. Almost 2/3 of the vacations was booked less than one month before departure (CBS, 2022). In 2019, this was 43% of the bookings.

# ECONOMIC OUTLOOK cont...

## Aviation

As per 18 February 2022, Royal Schiphol Group presented its Annual Results for 2021. The recovery of air traffic at Royal Schiphol Group’s airports was gradual last year, with a slow start, an upturn during the summer months, and then a slowdown at the end of 2021. Compared to 2020, the number of passengers at Amsterdam Airport Schiphol increased by 22% to a total of 25.5 million, of which 19.9 million travelled in the second half of 2021. The number of passengers was 64% lower compared to the pre-pandemic year 2019.



Figure 4 – Amsterdam Schiphol Airport

Schiphol Airport connected the Netherlands to 296 destinations, of which 118 were intercontinental. According to ACI’s Connectivity Report, Schiphol Airport held Europe’s top spot for direct connectivity (ACI Europe, 2021). Schiphol Group’s underlying net result improved from a loss of 521 million Euros in 2020 to a loss of 287 million Euros in 2021.

## Traffic

There were 266,967 air transport movements at Amsterdam Airport Schiphol. That’s a 17% increase relative to 2020 (227,304 air transport movements) but still 46% below 2019 (496.826 air transport movements). Cargo volumes at Amsterdam Airport Schiphol rose by 16% to 1.67 million tons. There were 23,997 cargo-only flights. This represents a 1% rise compared to 2020 (23,782 cargo-only flights) and a 70% rise compared to 2019 (14,156 cargo-only flights).

	Amsterdam Airport Schiphol	Eindhoven Airport	Rotterdam The Hague Airport	Total
2019	71.7	6.7	2.1	80.5
2020	20.9	2.1	0.5	23.5
2021	25.5	2.7	0.8	29.0

Table 1 – Passengers (in millions) from the three major Dutch Airports (Schiphol.nl, 2022)

# ECONOMIC OUTLOOK *cont...*

Schiphol Group invested 451 million Euros in 2021, mostly in sustainability, innovation, service, and safety. COVID-19 continues to have an adverse effect on passenger demand for air travel at Royal Schiphol Group's airports. This demand was at a low level during the first half of 2021, but traffic increased in the second half of the year. Although the traffic recovery remains uncertain and is subject to the development of COVID-19 and corresponding travel restrictions, Schiphol Group expects further recovery in 2022. In line with our earlier outlook, we estimate that the recovery of passenger volumes to 2019 levels will continuously grow until 2024.

There are 19 airlines offering flights to the USA. A lot of these are extending the number of routes and flights, which is promising. Latest addition is the new flight of Icelandair to Raleigh-Durham as per May 2022. We hope it will be soon at the 2019 level: from Amsterdam numerous flights departed daily to the Travel South Region. KLM/Delta with 28 times per week to Atlanta, 7 times to Houston, 7 times to Orlando, 7 times to Tampa and 7 times to Washington, United 7 times weekly to Houston (as well a gateway to the Travel South region) and American Airlines 7 times weekly to Dallas Fort Worth. And from May 4 times a week via Amsterdam and Reykjavik to Raleigh-Durham. We are getting more and more news that airlines are planning to restart schedules again.

The airlines with the biggest network and most sales are Delta, KLM, United Airlines, Lufthansa, and Virgin Atlantic (TRAVIX, 2021). Apart from these are Aer Lingus, American Airlines, SAS (Scandinavian Airlines), Icelandair, TAP Air Portugal, British Airways, Swiss, Air Canada, Finnair, and Air Europa. The Top 3 destinations are New York, San Francisco, and Los Angeles. Atlanta ranks number 14 in 2022. Nashville #22, Charlotte #27, New Orleans #29, and Memphis #76.

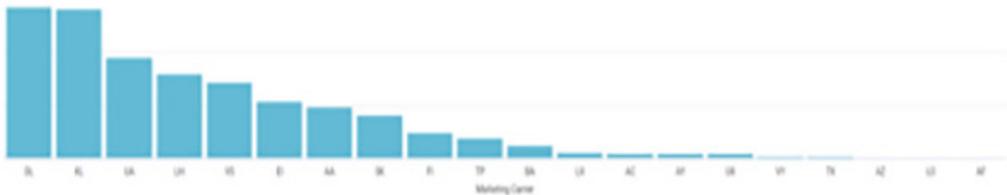


Figure 5 – Airlines flying to the USA (TRAVIX, 2021)

# ECONOMIC OUTLOOK cont...

## Entry points to the USA

Based on entry of the USA we see some dominant airports as the favorite port of entry. If we select on port of entry, we have data for Western Europe where Atlanta (#6), Washington (#7), Houston and Dallas (#10 and #11) are ranked high as favorable airports. This is positive for the Travel South region.

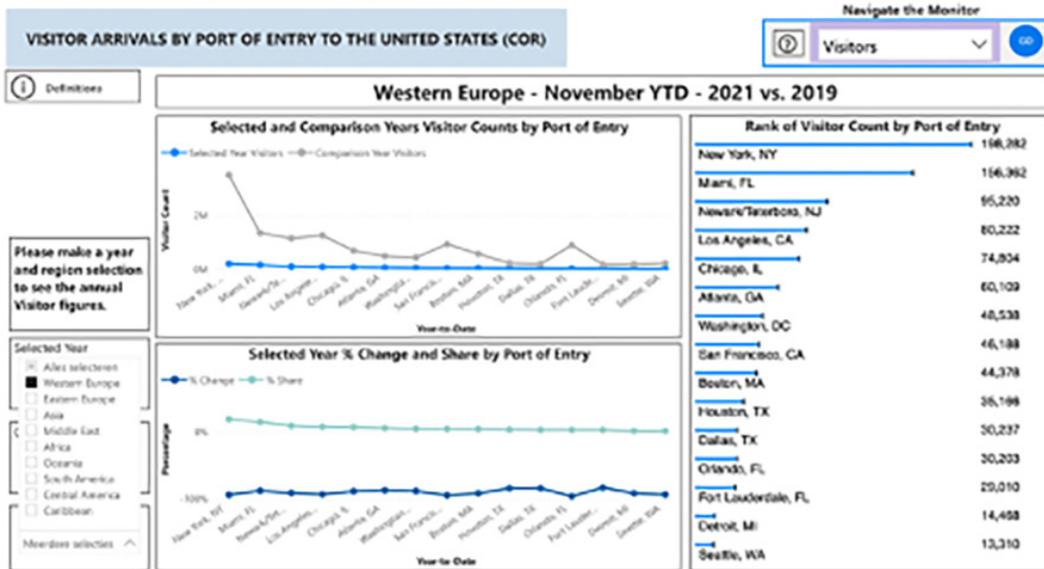


Figure 6 – 2021 vs. 2019 visitor arrivals by port of entry to the USA (CIC Research Inc. 2022)

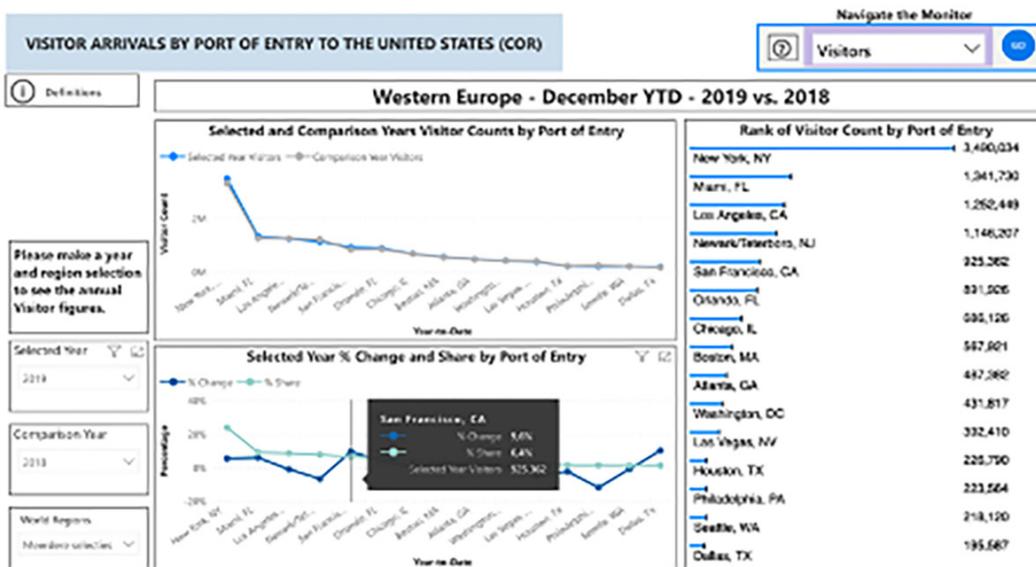


Figure 7 – 2019 vs. 2018 visitor arrivals by port of entry to the USA (CIC Research Inc. 2022)

# DUTCH INDUSTRY TRENDS

## Dutch travel trends

In the above we described global industry trends that are also applicable for the Dutch. However, we are in a somewhat special situation and would like to emphasize that. The Netherlands is small, it fits about 250 times in the USA. But the number of inhabitants only multiplies 20 times roughly. The Netherlands represents a market of 17,5 million people (expected growth to 18,1 million in 2030, of which 25% is older than 60). This means we are one of the most densely populated countries, and it is a sincere necessity that we need to escape the crowd and visit remote places. That makes us a very eager travel audience. In regular years our vacation participation was about 83%, of which 62,5% abroad. We do not need to recall the dramatic figures of the previous two years, but we can focus on 2022 and beyond. We have all the ingredients to start traveling the moment we can again. Aging of the population offers potential for shoulder season travel.

The Netherlands has a high percentage of the population visiting the USA annually. 4 out of 100 visit the USA on a yearly basis. This means there are a lot of repeating visitors, and a high potential for second- and third-time destinations within the USA such as the Travel South area.

The Dutch receive 8% annual extra salary called 'vacation payout'. Savings increased up to 42 billion. They receive at least 25 vacation days and about 10 public holidays. The average amount of days spent per USA vacation is 18 days. The Dutch prefer traveling within the USA by car or RV.

The USA was the number one long-haul destination for vacations and is predicted to remain so. With 729,000 visitors from The Netherlands traveling to the USA in 2019, The Netherlands was the sixth largest European market, after the United Kingdom, Germany, France, Italy, and Spain. From The Netherlands 4 of every 100 inhabitants travel to the US. This was the second highest percentage after the United Kingdom, which country is suffering from economical backlash due to Brexit.

About 80% of those 729,000 is leisure travel. It is expected that it will be soon to this level again.

The USA is traditionally popular to the Dutch long-haul traveler. And even more specific, as it has a huge amount of second-, third-, and fourth-time travelers, the Travel South region is very attractive to the Dutch traveler. The broad variety of the region ensures that no exact type of traveler needs to be determined. The consumer seeks open spaces, nature, outdoor activities, history, culture, food, and music. The Travel South region has it all.

# DUTCH INDUSTRY TRENDS cont...

It is key to distinguish the region from others. Showing how special and off the beaten path it is. Giving original local tips, not the regular ones mentioned in all brochures, but hidden gems, cultural activities. And giving in-depth information about highlights. Focusing on sustainability, also in accommodations. Giving tips on biological (farm to table) food and local breweries. Advertising with metaphors, selling the region with an interesting inside story. With lines such as “close your eyes and think of..”. Focusing on inspiring, rather than on facts. Taking the reader or listener there with special stories, doing special things with lines such as “When I was Ziplining...”. Advertise that they don’t want to miss this unique opportunity.

## Dutch consumer behavior

Due to the pandemic, consumers changed their shopping behavior. COVID-19 further sped up the process of online shopping, resulting in more online expenditure and an increasing usage of digital wallets. Research shows that it takes about 66 days to learn new behavior. This means that with this long-lasting pandemic, structural changes have taken place in consumer behavior and that it is likely this will remain to some extent.

In The Netherlands, an average of 5.5 hours per day is spend on the Internet. There are 16.47 million internet users (aged between 16 and 64). This is 96% of the Dutch population. 15.1 million people are active on social media. This is 88% of the Dutch population (figure 8). This makes the Netherlands the country with the highest connectivity in the EU.

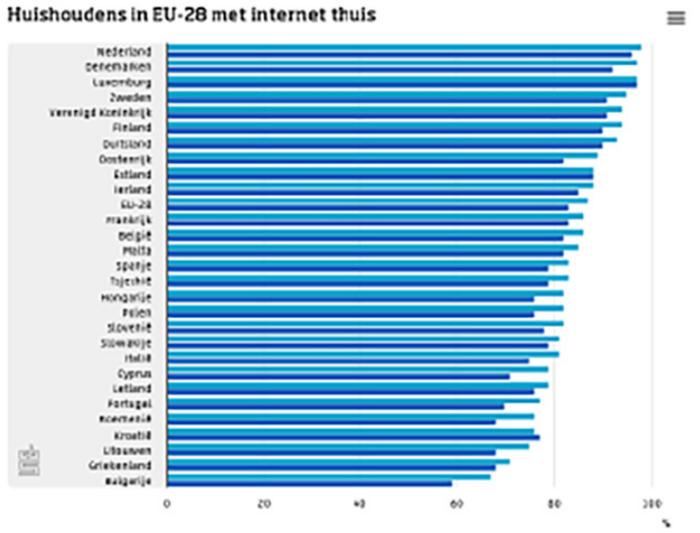


Figure 8 – The Netherlands ranks high on internet usage (CBS, 2021)

# DUTCH INDUSTRY TRENDS cont...

The two graphs below further showcase some details about the internet usage of the Dutch population:

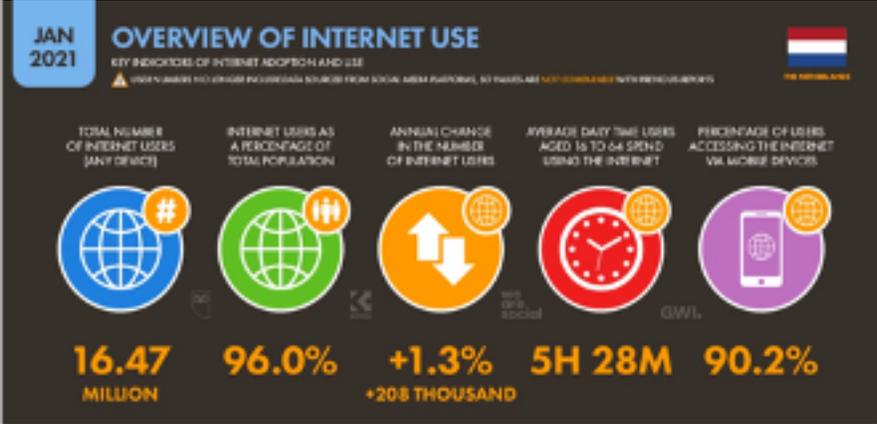


Figure 9 – Overview of Internet use in The Netherlands (Kepios,, 2021)

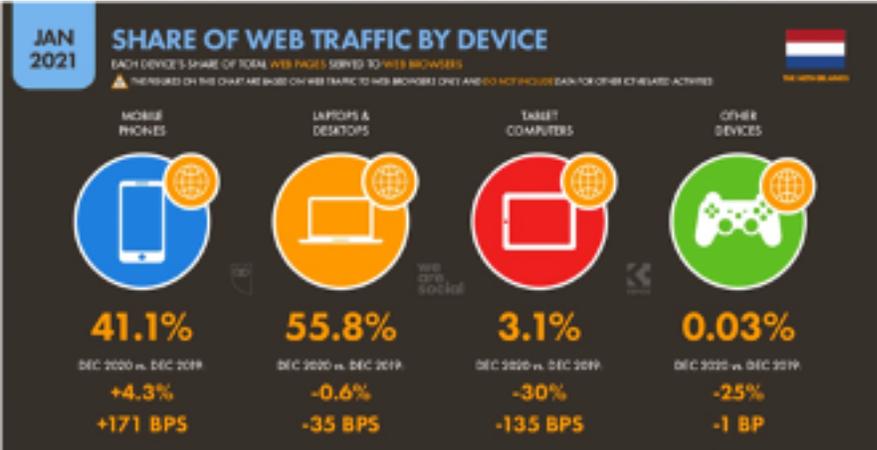


Figure 10 – Share of web traffic by device in The Netherlands (Kepios, 2021)

# DUTCH INDUSTRY TRENDS cont...

The Dutch are familiar with online shopping. This was 79% in 2019 and increased during the pandemic. In 2020, at least 15% of the Dutch did an online purchase weekly, in 2021 this increased to 24%. Ordering food was the fastest growing online business. Online supermarket shopping increased with over 52% of travel booked online (CBS, 2020).

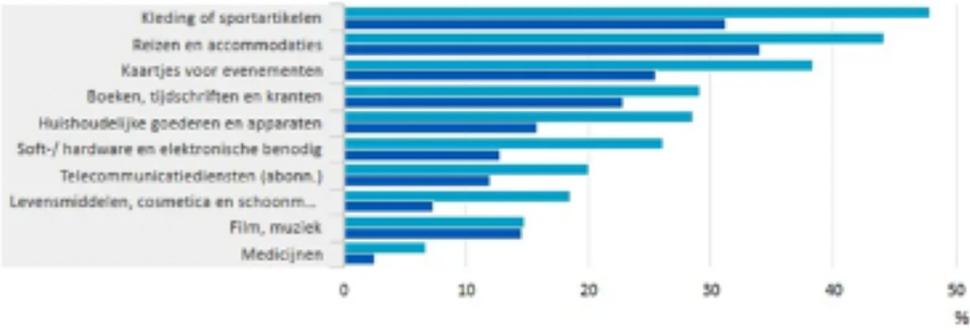


Figure 11 – Top 10 online purchases in The Netherlands (CBS, 2020)

*Translation: Clothing and sport related accessories, **travel and accommodation**, tickets for events, books magazines and newspapers, household and appliances, subscriptions to telecommunication, services, food cosmetics and cleaning supplies, movies and music, medication.*



# **Travel Industry Landscape**

# PRODUCT UPDATE

Up until March 2020, the Dutch market was showing positive figures. The economy was doing very well, and consumer trust was high. Travel participation remained high, around 75% traveled abroad for their vacation, with an average of 3 vacations per year. To decide on destination, type of vacation etc. almost 90% researched online, where personal stories such as blogs and reviews played an important factor. Bookings were predominantly made online, and 10-20% reached out to a travel agent. When consumers book their own flights, transportation, and accommodation, 40% book these 3-6 months ahead. Platforms such as Airbnb were increasing in popularity.

Although the Dutch travel trade has been going through a difficult time after that, research is showing that consumer trust is recovering more quickly than expected.

Where in the last two years there were only decreasing figures to report, in January 2022 the Dutch started booking. In the first week of January the number of bookings tripled compared to the entire month of January 2021. Spain is the most popular destination, followed by Turkey and Greece (Zoover, 2021). Thanks to the booster shots and the refund policies of tour operators, people gain trust to book a vacation.

Expectations are to get closer to the figures of 2019. Also, bookings for the USA are picking up. Here you see more a shift to shoulder periods. Presumably as families are not the first ones to do an intercontinental booking now. This is positive, as availability in high season can be tight when it comes to RV's and car rental. Also in accommodations the availability is tight due to an increasing number of domestic travel. Zoover (2021) also reports that among the 30 million searches on their platform, the willingness to pay more for a vacation has increased. Consumers are willing to pay more for their ticket and car rental and are searching for more luxury. Spending has increased with 13%.

# STATUS OF TOUR OPERATORS & AGENCIES

General trends such as looking for authentic experiences, being in nature, and going off the beaten path are all in favor of the Travel South region. A lot of specialist tour operators can offer added value by helping the consumer finding this. Showcases, webinars, trainings, all help to give the specialized tour operator and agent this extra to prove their added value. For generalists this will be much more difficult. They are just not the experienced sellers. The consumer is more well informed and comfortable on the internet and can often get good deals at OTA's with very good cancellation policies.

The webinars are very popular among agents. They can earn a certificate and every month there are prizes to win. This makes them very enthusiastic to join. With the certificate they can proof themselves as an expert and the prizes stimulate them on a personal level to join.

After years of increases, the number of home-based travel agents decreased due to the fact they could not make use of government support packages. They were faced with huge responsibilities, also financially as they act as a tour operator and could be charged for the whole package. On the other hand, they could not get access to the support packages. Due to the good government support packages, we only had a few bankruptcies; Tenzing Travel, Pacific Island Travel (restarting now), and D-Reizen. For the outbound tourism industry, focusing on the USA, The Netherlands has a lot of specialized tour operators. Up until 2020 there were over 300 tour operators of which over 50 tour operators were offering the USA in their portfolio. Besides that, there are a few wholesalers, big tour operators such as TUI, Corendon, Sunweb and ANWB.

The number of travel agencies decreased further in COVID time, from over 2,000 there are momentarily 900 travel agencies left. The number of home-based agents increased over the years to over 1,000, but they have been hit the hardest by the crisis. Travel organizations can join ANVR, the association for the Dutch Travel Industry. Another development are vertical organizations offering the whole product. KLM and Transavia lined up with OTA and consolidator Airtrade to sell packages through the airlines online.

All tour operators sell via the Internet and most of the specialized tour operators offer tailor-made module packages. Expectation is that a major part of the tour operators will survive as they have low costs and therefore the tour operator landscape will not change dramatically.

There will be a fully updated Product Survey ready beginning of May. As this is a major project, we already have started it. What we see so far is a slight decrease in tour operators, from 51 tour operators offering the USA to 47 in total. However, all Travel South USA states have increased in publications with the existing tour operators. The ones with publications did not decrease the number of tours and even added new ones.

# STATUS OF TOUR OPERATORS & AGENCIES

## cont...

Tour operators used the COVID-19 period to update their websites. Many of them have a new, up-to-date look & feel. When new routes are added we see the theme music, including the cities New Orleans, Nashville, and Atlanta in them. When routes are adjusted, most of the time it is extra days added to the schedule.

The tour operators offering product to the Travel South region is a solid and experienced group of tour operators, knowing the area and ready to 'go' now travel is possible again. Most of the tours are individual, fly-drives and RV trips.

We do expect a move to more sustainable travel, off the beaten path and avoiding crowded places. Safety and healthy circumstances are important and should be shown in marketing. Also, we expect a positive contribution of the new players in the market, like Little America and DO-USA. Little America does not offer itineraries on their website, they create upon every individual quotation. Little America has example itineraries but not yet in the Travel South region.

### Status Quo 2022 Product Survey (Update ready May 2022)

State	Tour Operator	Difference previous year
*Alabama	22	+1
*Tennessee	45	+6
*West Virginia	6	0
*Kentucky	8	+1
*Louisiana	45	+5
*South Carolina	28	+2
*North Carolina	31	+3
Missouri	25	0
Mississippi	42	+4
Arkansas	3	0
Virginia	27	+4
Georgia	36	+2

AmerikaNU.nl enormously increased his product. The new routes mainly cover Louisiana, Alabama, and Tennessee. Dream Travels extended their product in West Virginia and added overnight stays. A broad choice in itineraries to the South are also offered by Intrepid, TravelHome, Travelnauts, Untamed Traveling and Van Verre Reizen. From the latter we can expect more as they bought Special Traffic, the retail brand of Tenzing Travel and their Product Manager is from Tenzing. Another positive development is that Pacific Island Travel started over again. They hired two former Tenzing Travel Product Managers to set up a USA product but then went bankrupt. They now have been bought by a big retail company and will relaunch their USA product under the name Travel Company Direct.

# STATUS OF TOUR OPERATORS & AGENCIES

cont...

## Travel to the South TO List, status 2021 new product survey ready May 2022

Tour Operator in the Netherlands	AL	KY	LA	MO	NC	SC	TN	WV	MS	AR	GA	VA
333 Travel			x	x		x	x		x	○	x	
Aeroglobe/Amerikaplus.nl	x		x	x	x	x	x		x		x	x
America Travel Guide	x		x	x	○	x	x		x		x	X
American Tours	x	x	x	x	x	x	x	x	x		x	x
American Vacation	x	x	x	x	X	x	x		x		x	x
Amerika Online / Riksja Travel Amerika			x		x	○	x		x		x	
AmerikaNu.nl	X	X	X	X	X	X	X	X	X		X	
Atlantic Dream Vacations			x	x		x	x		x	○	x	x
<b>Baobab</b>			○		○		○		○			○
Beleef Amerika (Disma)			x	○	x	x	x		x		x	
Best of Travel			x				x		x		x	
De Jong Intra	x		x	x	x	x	x		x		x	x
Discovery/ Intrepid travel		X	X		X	X	X				X	
Djoser			x		x		x		x		○	x
Doets Reizen	x		x	x	x	x	x		x		x	x
DO-USA												
Dream Travels (Style in Travel)	X	X	x	x	x	x	x		x		○	x
Eagle Rider	x		x	x	x	x	x		x	X	x	x
Euram	x	x	x	x	x	x	x	x	x		x	
Exit-Reizen	x		x	x	x	x	x		x	x	x	x
Experience Travel (onder ITG)			x				x		x			
Fly to the West (B2B product Tioga)	x		x	x	x	x	x	x	x		x	x
<b>Fox Reizen</b>	○	○			○	○	○					
Go Amerika (Style in Travel)			x	x	x	x	x		x		x	x
Great Lakes Travel			x	x	x		x		x		x	x
Kilroy		○	x	X	x	x	x				x	x
<b>Kras Stervakantie</b>												
Le Beau Reizen	○	X	x	○			x		x			

### Legend:

Red = not offering product anymore

Yellow = new tour operators offering TS region

Green = tours in that state

Green x = new tours

Table 2 – Product Survey overview

# STATUS OF TOUR OPERATORS & AGENCIES

cont...

Tour Operator in the Netherlands	AL	KY	LA	MO	NC	SC	TN	WV	MS	AR	GA	VA
Little America												
Motortrails	x		x				x		x			
NRV Reizen			x	x	x	x	x		x		x	x
Op droomreis.nu					x						x	x
Route 66 Reizen	x		x	x	○		X		x		x	X
Sawadee	○		x		X		x		x		○	x
Senses Travel			x				x		x			
SNP Natuurreizen			x		x		x		x		X	
<b>Tenzing Travel</b>												
Tioga Tours	x		x	x	x	x	x	x	x		x	x
Travel Experience	x		x		x	x	x		x		x	x
Travel Trend	X		x	x	x	x	x		x		x	x
Travel2America	x	x	x	X			x		x		x	
Travelhome	X		x		X		x		x		x	X
Travelnauts			X				X		X		X	
Travelworld			x			x	x		x		x	
Travel Worldwide			X		X	X	X		X			X
<b>Trek America</b>		○	○			○	○	○	○		○	○
TUI			x	○	○	x	x		x		x	
Untamed Travelling			X				X					X
<b>US Bikers</b>			○	○	○						○	
US travel	x		x	x	x	x	x		x		x	x
<b>USA Fietstours</b>												
USA Motorreizen	x		x	x			x		x			
Van Verre Reizen	X		X	X	X		X	X	X		X	X
WRC / Oversight Travel			X		X	X	X		X		X	
Yellow is new			X		X	X	X		X		X	
Total 47 TO's (7 (red)/54 not operating anymore) -> Tour operators per state:	22	8	45	25	31	28	45	6	42	3	36	27
LAST YEAR	21	7	40	25	28	26	39	6	38	3	34	23
DIFFERENCE 22 COMPARED TO 21	1	1	5	0	3	2	6	0	4	0	2	4

## Legend:

Red = not offering product anymore

Yellow = new tour operators offering TS region

Green = tours in that state

Green x = new tours

Table 2 – Product Survey overview



# **Media & Social Media Landscape**

# COVERAGE OF THE USA AND THE TRAVEL SOUTH REGION

Publications by Visit USA the Netherlands, America Magazine, Meridian Travel TravMagazine and the TravEcademy have been consistent, if not more than previous years. For this we have analyzed the data that we've collected over the past years within Coverage book. Below, each of the publications are elaborated.

## ■ **TravEcademy and TravMagazine**

In the number of publications on the website/newsletter of TravEcademy and in their magazine TravMagazine, we see a positive increase. For comparison, in FY18-19 there were only two publications, FY19-20 25 publications, FY20-21 a slight dip with 16 publications and so far, this FY we are on 29 publications. We are expecting that this number might even double by the end of the fiscal year. Especially, now that we are setting out some extra promotion regarding the thematic courses. The first one being Nature & Outdoors and up next is Food.

## ■ **Visit USA The Netherlands**

Since Travel South has become a member of Visit USA, the region is consistently being mentioned on social media. Within each month, at least one post is dedicated to the Travel South region. The Visit USA NL Facebook page has 4,580 likes/followers and the Instagram page 545. Travel South is also mentioned in every other newsletter. This newsletter is sent out to 2,300+ people.

## ■ **AmericA Magazine**

AmericA Magazine is a quarterly magazine with a reach of 35.000 impressions. Consistently over the past years we have had four publications. Meaning, one short article or an 4-8 page spread. In FY19-20 we had an exceptionally large number with 15 publications. In each of the four magazines they included two or three different articles or spreads.

## ■ **Travel South newsletter**

This fiscal year we have started with spreading our own Travel South newsletter among Dutch travel agents and tour operators. Currently, the database consists of over 300 subscribers, from whom we regularly receive positive feedback via email. In each newsletter, a specific theme is featured and related to this theme four of the Travel South states are highlighted each month.

# COVERAGE OF THE USA AND THE TRAVEL SOUTH REGION cont...

## Trends on travel publications

We can clearly see a change in the type of publications, when comparing pre- and post-COVID. Pre-COVID articles, blogs and vlogs were mainly focused on inspirational stories and travel adventures. However, when the pandemic hit, this radically changed to informative and COVID-related posts. Topics often discussed were the latest news surrounding travel bans, closed borders, the impact of COVID-19 on tourism etc. As the months passed by, the nostalgic 'remember when' articles grew in popularity. Travel companies were trying their hardest to maintain their presences for when everything would reopen again. Last year, when the vaccines were widely spread across the globe, publications are back to 'storytelling' (Adventure Travel News, 2021).

## Changes in publications

We see some changes when it comes to digital or printed publications. Back in FY19-20, we had printed publications quite regularly. As of FY20-21 and 21-22, we only occasionally get to include a printed publication. And when we do, they often have more impressions compared to digital publications. Where we see an increase in the digital publications, we also see an increase in the number of impressions of the publications we have been tracking the past years. To name a few: TravMagazine has increased from to 6.800 to 11.000 impressions and America Magazine went from 15.000 to 35.000 impressions.

The largest change we can see when comparing pre- and post-COVID, is the total number of publications. From the 138 publications in FY19-20 only 30 were published after February, when COVID-19 was announced a pandemic. With the current number of publications, so far in FY21-22, we are ahead of FY18-19, however we are not caught up yet with the number of publications in 19-20. It is very positive to see this progress in the right direction. It is expected that when the situation in the USA improves, more and more publications will be aimed at the USA and the Travel South region.

## Future of press trips

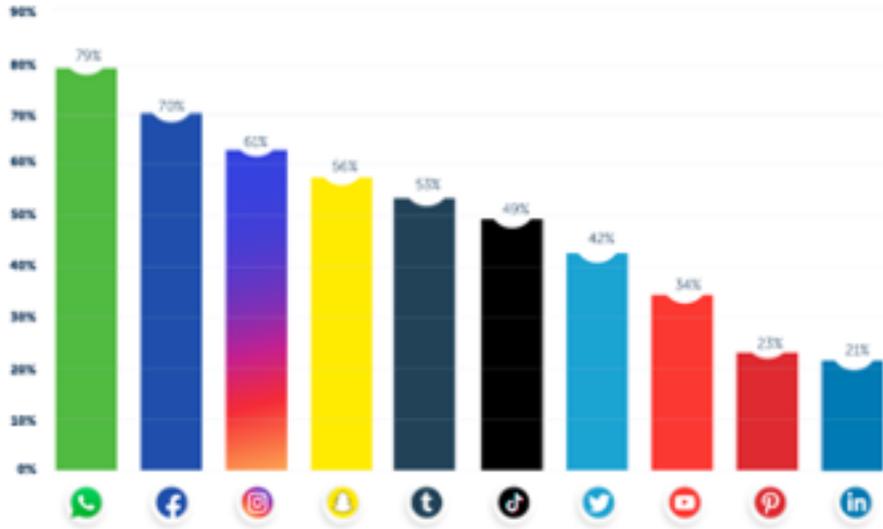
Press trips, now more than ever, require a lot of logistic planning. There was already a shift from group press trips to more individual press trips and that will only be more significant. Trips must lead to inspirational content. It is also important that they publish on all their available channels. Not only in their guaranteed print publications but also on social media, in blogs etc. It is good to further focus on a separate press program as this serves the specific needs of journalists. The trends sustainability, authenticity and off the beaten path are interesting for journalists. It would be good if we could get exposure on short notice to focus on the expected rebound in April/May. Either through specialized tour operators and/or consumer direct options. Set in on all opportunities to reach out to the potential traveler.

# SOCIAL MEDIA TRENDS

In The Netherlands a large part of the population is active on social media. A total of 15.1 million people make use of at least one social media network. A significant increase can be seen in the age group 20 to 39 years old. They spend almost 30 minutes more on social media in comparison to 2021 (Frankwatching, 2022).

According to Coosto (2022), the platform with the highest increase in users in the Netherlands is TikTok. With over 1 million additional people using it compared to 2021, TikTok is trending.

WhatsApp is the most used social media platform on a daily basis, with 12,5 million Dutch users, followed by Facebook (10,3 million) and Instagram (6,6 million) (Coosto, 2022).



# SOCIAL MEDIA TRENDS cont...

## Trends regarding destination marketing

It is very important to create interaction and engagement on social media. Social media will gain in popularity as the share of last-minute bookings will increase. This is easier to target via social media than it is in printed media. With that come a couple of interesting trends that need to be considered.

### ■ Video Marketing

A video is a marketing tool that shows off destinations in their full glory. People are having shorter attention spans online and with the use of videos, attention will be attracted as they are easy to consume and highly informative (Carey, 2022).

Another trend that is related to video marketing is the app TikTok. Here, users are glued to their phones with entertaining videos. TikTok has an audience of two billion and by using this app for destination marketing, multiple demographics can be targeted (Carey, 2022).

### ■ Micro-influencers

Influencers have been trending for a few years now as they are gaining large follower bases.

An upcoming trend is making use of micro-influencers. They may have a lower follower base compared to famous influencers, but their followers a more targeted group (Upasna, 2022).

What does this mean for Travel South? The above-mentioned trends such as sustainability are topics that can be used, not only for social media advertising, but also online blogs, in the newsletter and in the TravEcademy. For Dutch people, video marketing has more protentional than images. This provides an opportunity for Travel South to make more use of video content rather than images.

# SOCIAL MEDIA TRENDS cont...

## Trends regarding campaigns and advertising

### ■ Ads with graphics

Even though video marketing is an upcoming trend, the fact that the volume plays automatically is an annoyance to many. Therefore, the trend within video marketing is the use of graphics in adverts. Businesses use this easy-to-digest format to make impactful ads that are easier to understand. In addition, the use of subtitles is very common. This way, ads can be played without music and without people skipping the ad (Howarth, 2022).

### ■ Ads in apps

Gaming apps are one of the biggest forms of entertainment, making it a massive opportunity for advertisers. There are a variety of advertisements, from banners to short videos that pop up when users are using a free app. Within games, there are often options to earn rewards after watching an ad. When selecting the right apps, a right target group can be reached. For example, travel related apps would be an opportunity (Howarth, 2022).

### ■ Columbus Travel publications

Columbus Travel is a website that promotes destinations all over the world. It includes guides, tips, news, photos and all the necessary information needed to know before going on holiday. Next to an online website, Columbus Travel also publishes magazines focusing on different regions. There are online guides offered for the northern and western parts of the USA, but none regarding the South. This looks like a great opportunity to promote the region in either the magazine, with an online guide or even both (Columbus Travel, 2022).



# **Opportunities and Next Steps**

## A LOOK INTO THE FUTURE

Safety at the destination and open borders are a necessity to take a destination into consideration. This can be marked as positive for the USA. The USA was already the number one long-haul destination and now has even less competition. Consumers are not sure about safety and health in South America, Africa, and Asia. They consider Australia and New Zealand as too firm on COVID-19 restrictions. This makes the USA as favorable destination to choose when travels want to go intercontinental.

We must inspire the consumer to choose for the Travel South region. We can get assistance from the specialist tour operators. We believe there is an opportunity for them to keep their market share in bookings to the USA. We however foresee a decrease in the market shares of wholesalers. These general tour operators cannot always add that added value to the consumer and the voucher system has not been always in favor of the image of those wholesalers. Where the specialist has a personal relation with his customers and a lot of repeating customers, the wholesaler is more seen as a big company without a specific face. The specialists invest a lot in gaining experience and information by attending showcases and travel to the USA themselves. This adds to the sales calls they have with their consumers.

Looking at the trends, it is key to be up to date with technology. The customer journey must be an easy one through a website. Offering the possibility to make their own itinerary (Tioga Tours has a good tool for this for example), be flexible with routes, have good cancellation policies up to short before departure, personal communication, and providing relevant and inspiring information. The consumer is internet savvy and if this added value is not offered the consumer will decide to do it directly or via an OTA.

The tour operator must be flexible and transparent with cancellation and refund policies.

For the region, trade is very important. However, in the end it is not the main goal to get everybody booked through trade. Key is that trade visits the region. In that respect it serves as an ambassador for the region. They do inform and inspire the consumers and they serve as an inspirational platform. The tour operator can attract the consumer by offering good service and personal attention and the assurance that he will take care of the whole package in unforeseen circumstances. In this respect, we recommend receptions to offer more diverse routes to the trade. Making it more exclusive and avoiding that every tour operator offers the same itineraries.

We foresee a rebound in bookings for summer 2022 in April/May this year, which is different from pre-COVID when most bookings for summer vacations were made in the period December – March. Good communication is advised to boost this period. This can be done through trade with co-ops but also directly through all social media channels aiming at the consumer direct.

## A LOOK INTO THE FUTURE cont...

Traditionally, the consumer books with the trade in January/February. As this will be moved more towards April/May we also foresee a slight move to more direct bookings. However, the more adventurous traveler is willing to book last-minute and can be addressed to via the specialist tour operators to convince them to book in April/May.

### Key Industry Events

In the coming year, but also for 2023, a couple of events are worth mentioning.

#### De Vakantiebeurs

The last 'live' version of De Vakantiebeurs took place in January 2020, just before the pandemic hit. It was a unique event, as they celebrated the 50th edition of this well-known trade/consumer travel fair. In 2021, they opted for an online edition, which was slightly underwhelming. For 2022, they had big plans to arrange a live edition again, however due to the COVID-19 measures in January, this was not possible. They also did not want to do another online event, hence why it was decided not to arrange the fair this year. The next edition of De Vakantiebeurs is planned for 13-16 January 2023.

#### Visit USA The Netherlands

Visit USA is planning to take part in various events in the year 2022 and 2023, during which they will participate with the entire association. However, they will also be organizing events, providing a podium for members such as Travel South to participate. To name a few:

- Visit USA will participate in the USA pavilion at De Vakantiebeurs 2023. For this, various members can sign up and have their own desk within the pavilion. Of course, Visit USA will be there to represent the USA as a whole, also mentioning members who cannot physically participate.
- In May 2022, Visit USA is organizing their own event a 'Roadshow Puzzle'. The same event was organized last year in April and was a huge success. Together with nine members, Travel South participated with a karaoke activity. Members were positioned around the North-Eastern part of The Netherlands and over 50 travel agents took a road trip along all those locations. At each of the stops they learned about a part of the USA and participated in games. A fun way to network, improve participant's USA-knowledge and to enthuse the agents about the USA as a travel destination. This year on the 12th of May the trip will take place in the South of The Netherlands, making it more appealing to travel agents in this part of the country.
- In autumn, Visit USA will organize again the roadshows as they were held in the past. A total of three locations will be selected in The Netherlands and for a total of three days, Visit USA and its members will promote all that the USA has to offer. This will be a live event.
  - Visit USA will most likely participate again at the USA & Canada travel fair, held in November 2022, representing their members.

## A FINAL NOTE

It is with great pleasure that Target Travel Marketing provides you with this summary landscape report. While we recognize we are all in a new era of travel, post-COVID, we are grateful for Travel South's support during these challenging years, and the support of our work representing this iconic area of the USA to the Dutch consumer.

Through this document, we not only express our understanding of The Netherlands as an inbound market for Travel South, but also understanding of the opportunities that exist for its states. Our market may be small, but the Dutch are well-travelled and high-yield consumers who value adventure and experience – and we know that Travel South and its state share the same values.

Our team is ready and eager to continue to utilize their knowledge, skills, creativity and enthusiasm to deliver results for Travel South. We are looking forward to continue to build on the early momentum toward full recovery and future growth of travel from the Dutch market.

*Maarsse, 1 March 2022.*