ADVENTURE TRAVEL TRENDS SNAPSHOT

APRIL 2018

ADVENTURE TRAVEL
TRADE ASSOCIATION

Overview & Methodology

Every year since 2006 the ATTA has surveyed its growing database of tour operators. Each year adventure travel tour operators are invited to share information about their business operations as well as trends they are experiencing with respect to traveler demographics, destinations, and activities.

For 2018 the Industry Snapshot survey asks companies to comment generally on net profit projections for the year as well as on traveler, destination and activity trends.

Respondent Profile

The respondent profile is consistent with past years. The largest group of respondents this year were from North America (40 percent), followed by Europe (24 percent) and South America (14 percent). Respondents from Africa made up six percent of respondents, Asia eight percent, Central America five percent, and Middle East three percent and the Pacific two percent.

Also consistent with past years is the operational profile of respondents. More than half (56 percent) of respondents characterize themselves as inbound operators (suppliers), while 26 percent characterized themselves as outbound tour operators (buyers). Eighteen percent of respondents said they function as both inbound and outbound companies.

216

COMPLETED SURVEYS

365

PARTIALLY COMPLETED

Result Highlights

Company Financials

Seventy five percent of companies expect a net profit increase for 2018, with 40 percent saying the factor driving the increase is new customers.

Traveler and Product Trends

Itineraries and Activities

Survey respondents were asked to characterize the popularity of different trip types along a spectrum of “cold” to “hot” with “cold” trip types indicating trips that receive little to no interest from clients, and “hot” indicating itineraries receiving high interest from clients.

The number one activity registering as “hot” is hiking. Also in demand and captured as “warm” were cultural activities, environmentally sustainable activities, cycling, ecotourism, culinary activities, and safaris. At the cooler ender of the spectrum operators noted kayaking, rafting, climbing, snorkeling, stand-up paddle boarding and birdwatching. Camping, backpacking, canoeing, scuba diving, and philanthropic tourism are also less in demand with tour operators. Sandboarding, hunting, and heli-skiing were the least in-demand activities.

Travelers

In terms of adventure traveler demographics, the customer demographics reported by tour operators is consistent with what has been reported in the past.

(Continued...)

The largest group of adventure travel tour operator clients (41 percent) are between the ages of 50 - 70. Twenty one percent of adventure travel company clients are between the ages of 41 - 50; 17 percent are between the ages of 29 - 40. Fourteen percent of clients are under age 28 and six percent are over age 70. In terms of a global average, the average adventure travel client is 49 years old.

Clients are slightly more likely to be women - 53 percent of clients - than men. Couples are the most prevalent group type - 42 percent of clients. Nineteen percent of clients are solo travelers; 18 percent are families. Groups make up 21 percent of guests.

Trip Duration and Price

The average adventure travel trip is eight days reported from all regions. For this year’s dataset, per day prices range from $202 (reported by companies based in Asia) to $442 (reported by companies based in North America). Around the world, per day trip prices reported are mostly up: 11 percent (Africa); nine percent (North America); and four percent (Europe) over 2017. South America and Asia expect to decrease per day trip prices in 2018 — 6 and 4 percent respectively.

Key Source Markets

Europe and North America continue to be the leading source markets for adventure travelers. For companies based in Africa, Asia, and Europe, European guests are dominant. For companies based in North America, Central America and South America, North American guests make up the majority. Asia is a strong source market for Asian-based companies, after Europe.

Destinations

Adventure tour operators noted four regions as “hot” with significantly “increased interest” in the past year: Eastern Europe, Scandinavia, Southern Africa and South-East Asia. Eastern Europe was noted by the most operators as a destination of new interest. In the “warm” category, a few new regions also appeared in the list. A few notable entrants to the warm destinations category this year are: Arctic, Oceania and East Africa. Destinations for which tour operators have experienced unchanged demand from last year are the Caribbean and Middle East.

Destination Benefits

Adventure travel tour operators estimate that 66% of their trip cost per guest remains in the destination region. They further estimate that guest expenditure on handicrafts and souvenirs in the destination to be $118.

Operations

Adventure travel companies continue to retain the classic small business profile, with ten or fewer employees. In terms of additions to staff, most adventure companies say they added staff to the operations component of their business, followed by additions to the sales team and then guides.

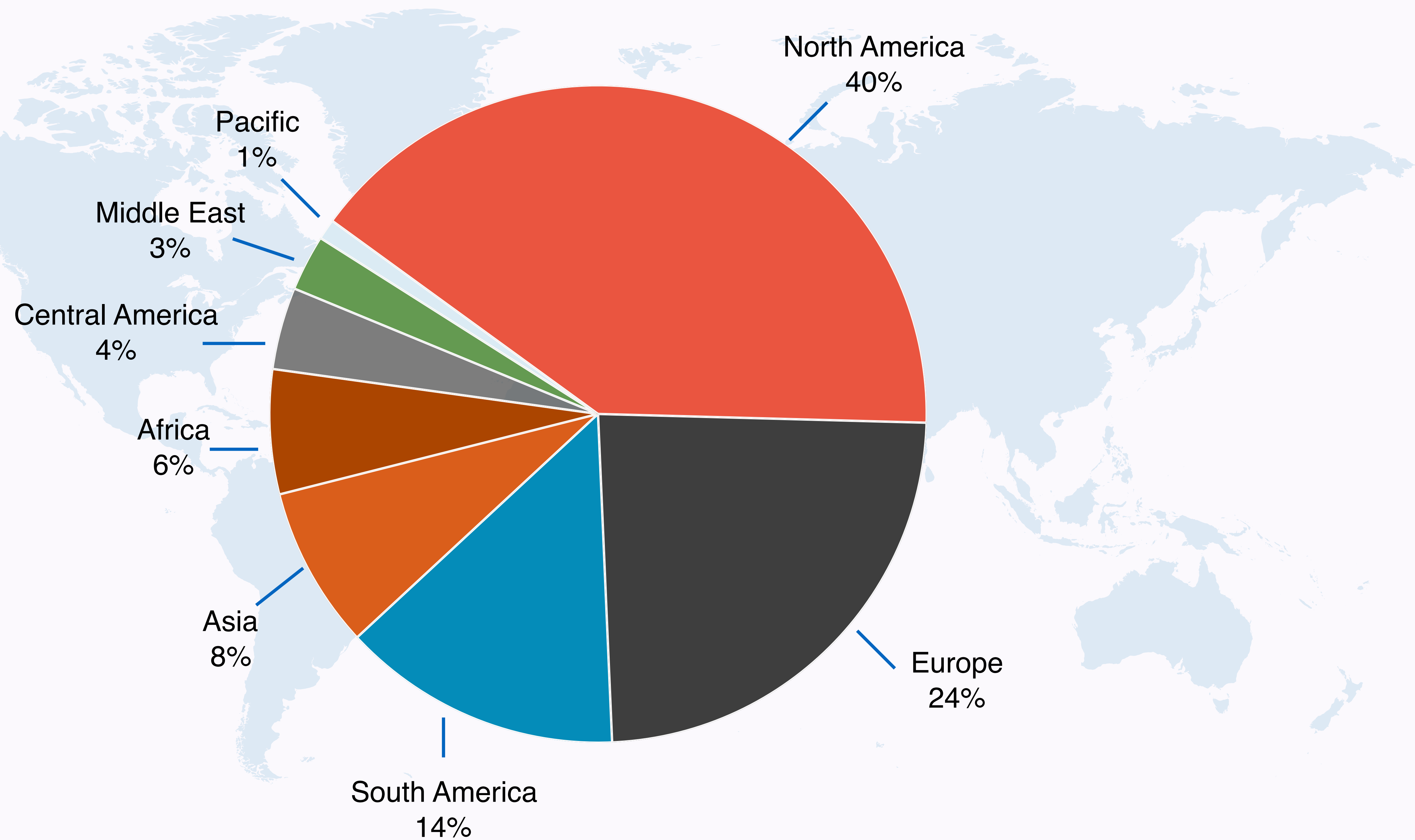
Booking

Fifty one percent of respondents say their organization has an online reservation system that accepts credit cards, maintaining the slow but steady progress in this area. In 2016, 47 percent of companies indicated they had online booking systems that could accept credit cards.

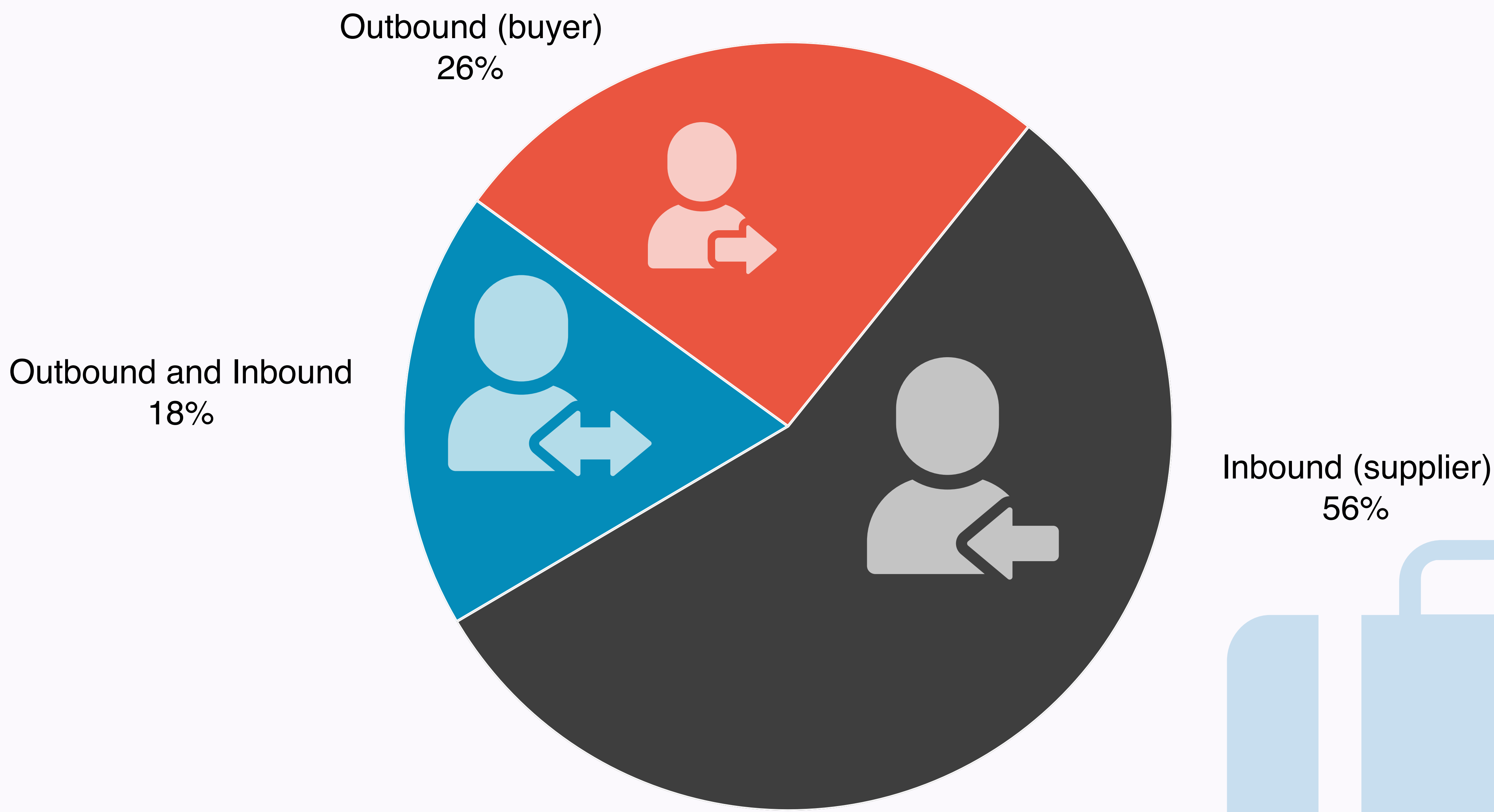
In terms of bookings completed online, companies based in Europe (52 percent) and North America (49 percent) far outpace other regions of the world.

Adventure travel tour operators say that 55 percent of their guests come to them directly, while 23 percent come through travel agents and 22 percent come through another group or partner.

Organization Headquarters



Tour Operation Type



Average Customers Per Year

HEADQUARTERS	CUSTOMERS PER YEAR
AFRICA	3,900
ASIA	8,200
EUROPE	6,800
NORTH AMERICA	6,300
SOUTH AMERICA	2,200

** Regions not containing sufficient sample size are excluded from this chart.*

Trip Length

HEADQUARTERS	LENGTH IN DAYS
AFRICA	8
ASIA	8
EUROPE	7
NORTH AMERICA	8
SOUTH AMERICA	8

** Regions not containing sufficient sample size are excluded from this chart.*

Trip Price Per Day in US Dollars

Including lodging, excluding airfares

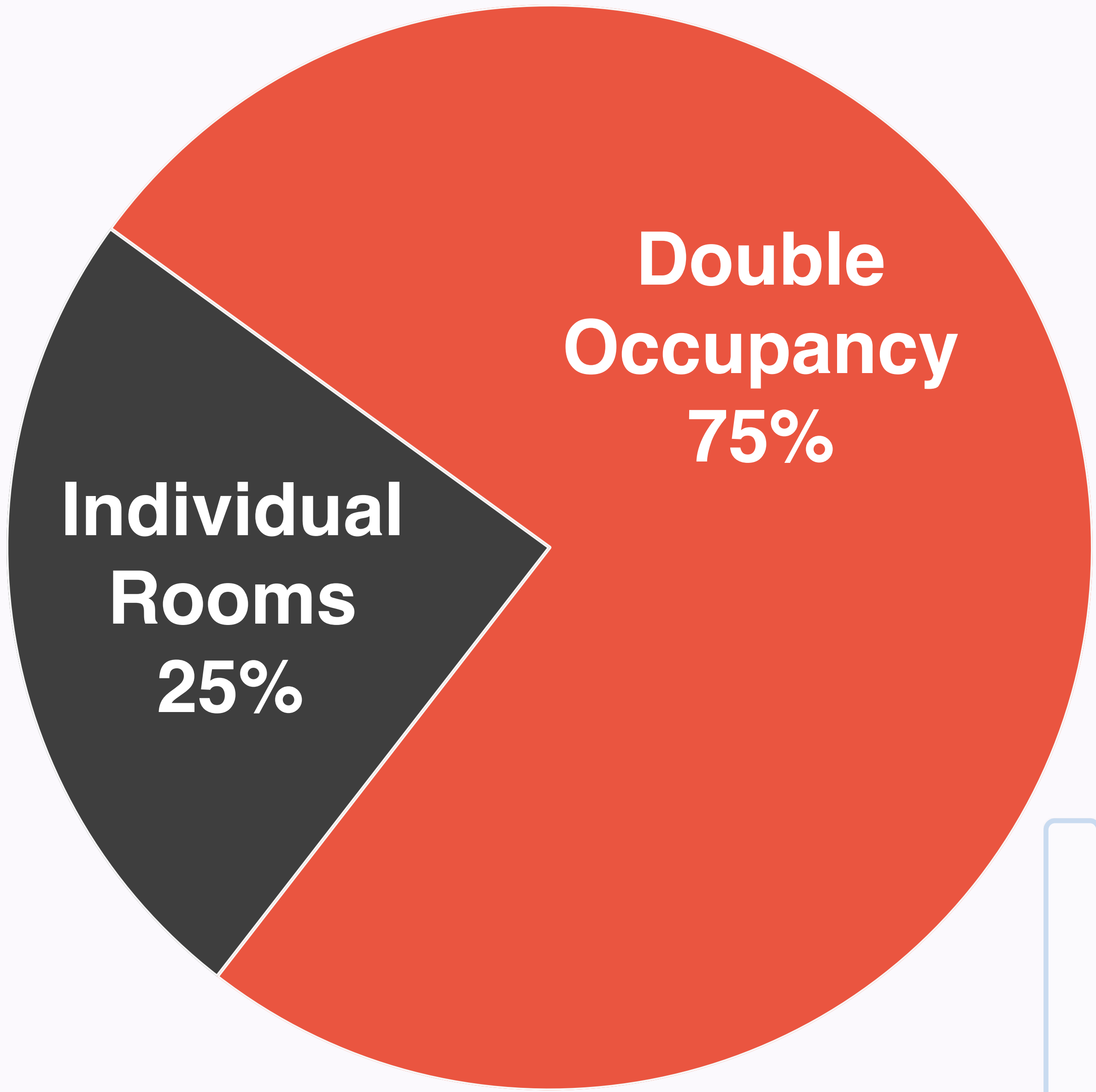
HEADQUARTERS	2018 (FORECAST)	2017	2016
AFRICA	$381	$345	$316
ASIA	$202	$210	$170
EUROPE	$226	$217	$211
NORTH AMERICA	$442	$407	$388
SOUTH AMERICA	$316	$334	$285

** Regions not containing sufficient sample size are excluded from this chart.*

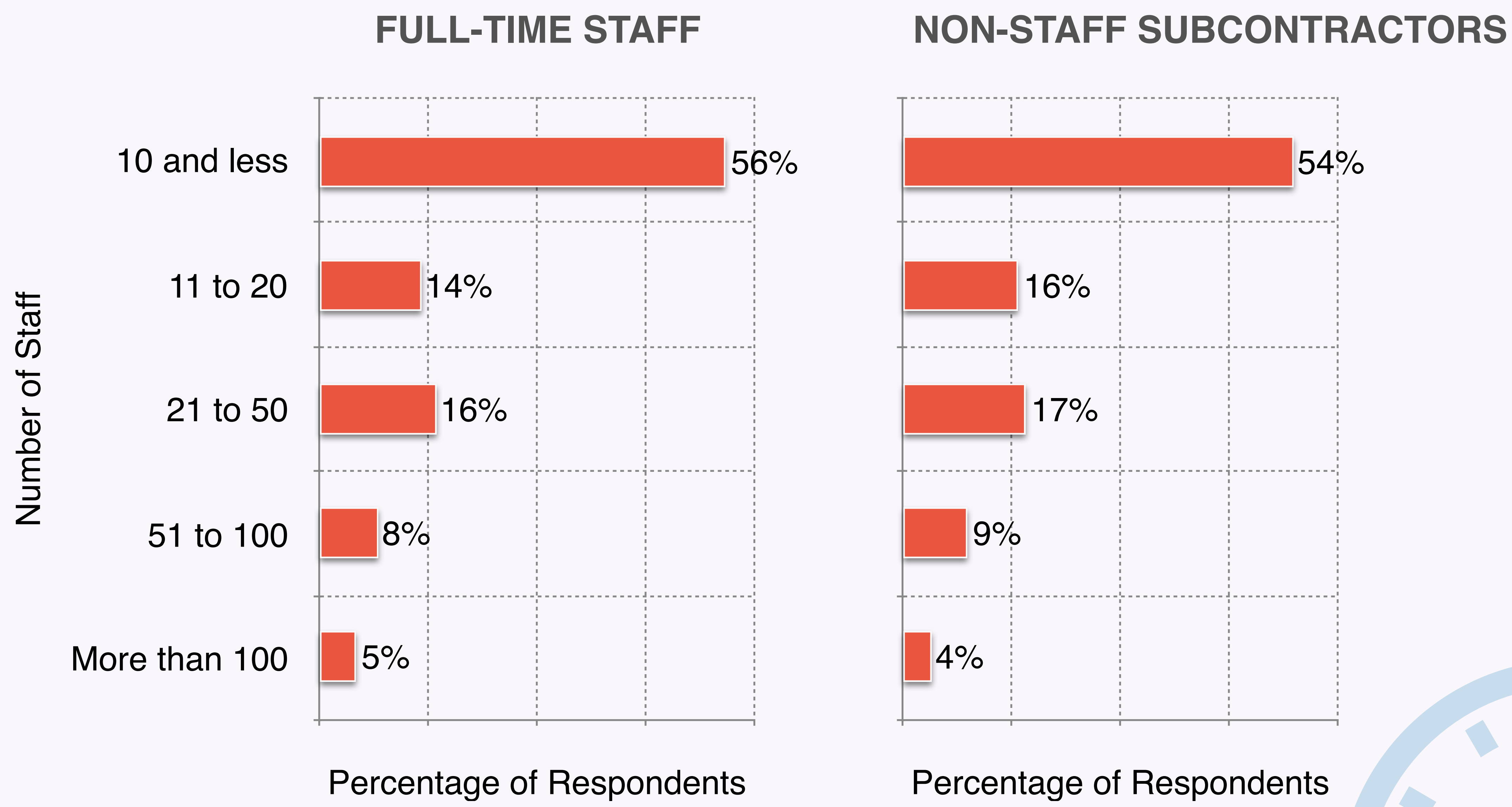
*** Trip prices are quoted in USD each year and may be affected by fluctuating exchange rates year over year. Survey respondents provide estimates to the best of their knowledge.*

**** Each year, we ask the survey respondents to provide two years of historical averages, and one year of the forecasted trip price. The numbers change each year as we don't follow the same cohort of respondents. Thus, to maintain accuracy, we can only compare trip prices with the dataset on hand, and not with the previously published results for this question.*

Estimated Percentage of Guests Booking Occupancy

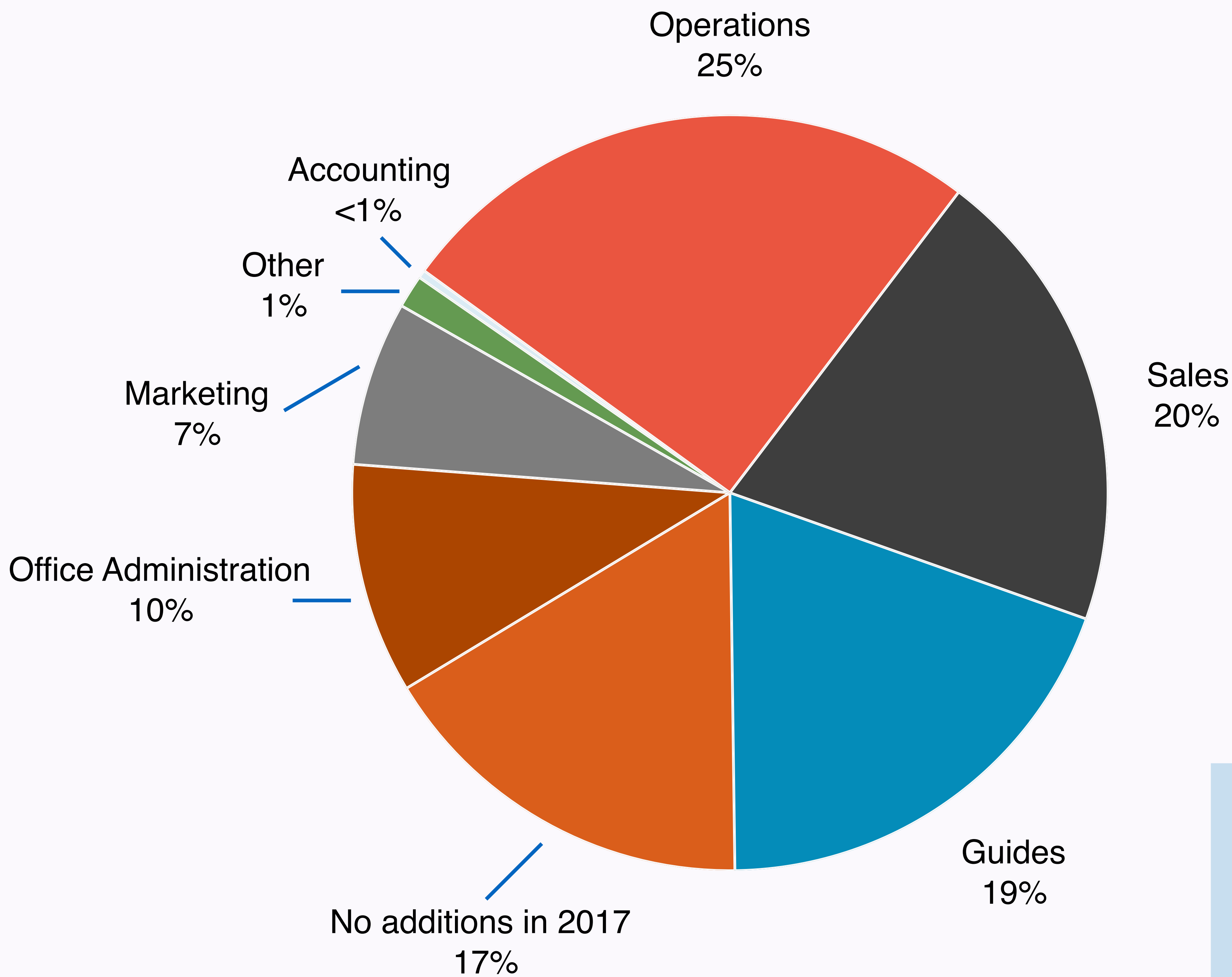


Staffing



FULL-TIME STAFF
NON-STAFF SUBCONTRACTORS
Number of Staff
10 and less
11 to 20
21 to 50
51 to 100
More than 100
56%
14%
16%
8%
5%
54%
16%
17%
9%
4%
Percentage of Respondents
Percentage of Respondents

2017 Staff Increases By Department

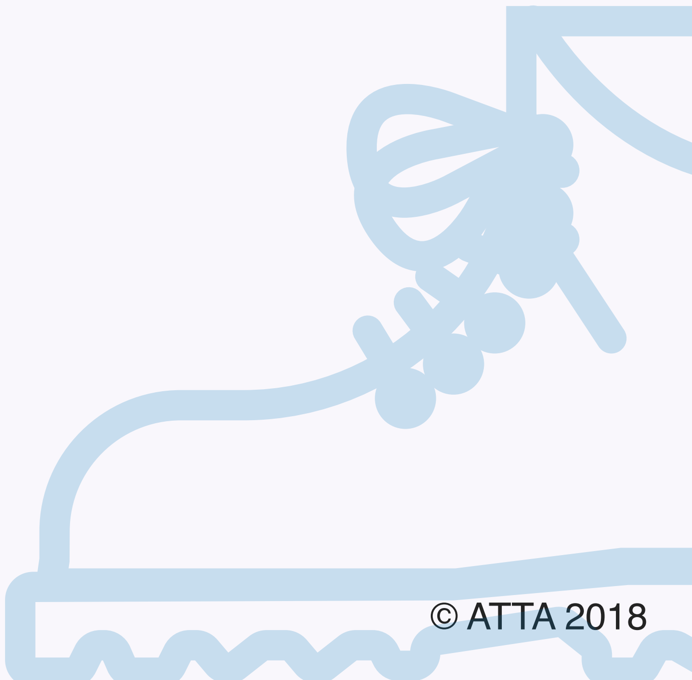


Guide to Guest Ratio

HEADQUARTERS	RATIO
AFRICA	1:18
ASIA	1:9
CENTRAL AMERICA / CARIBBEAN	1:7
EUROPE	1:9
NORTH AMERICA	1:7
SOUTH AMERICA	1:6

1:8

GLOBAL AVERAGE



Estimated Percentage of Trip Cost Remaining in the Local Region

66%

OF TRIP COST REMAINING IN THE REGION

ATTA asked tour operators to estimate how much of their per guest trip cost remained in the host destination or region.

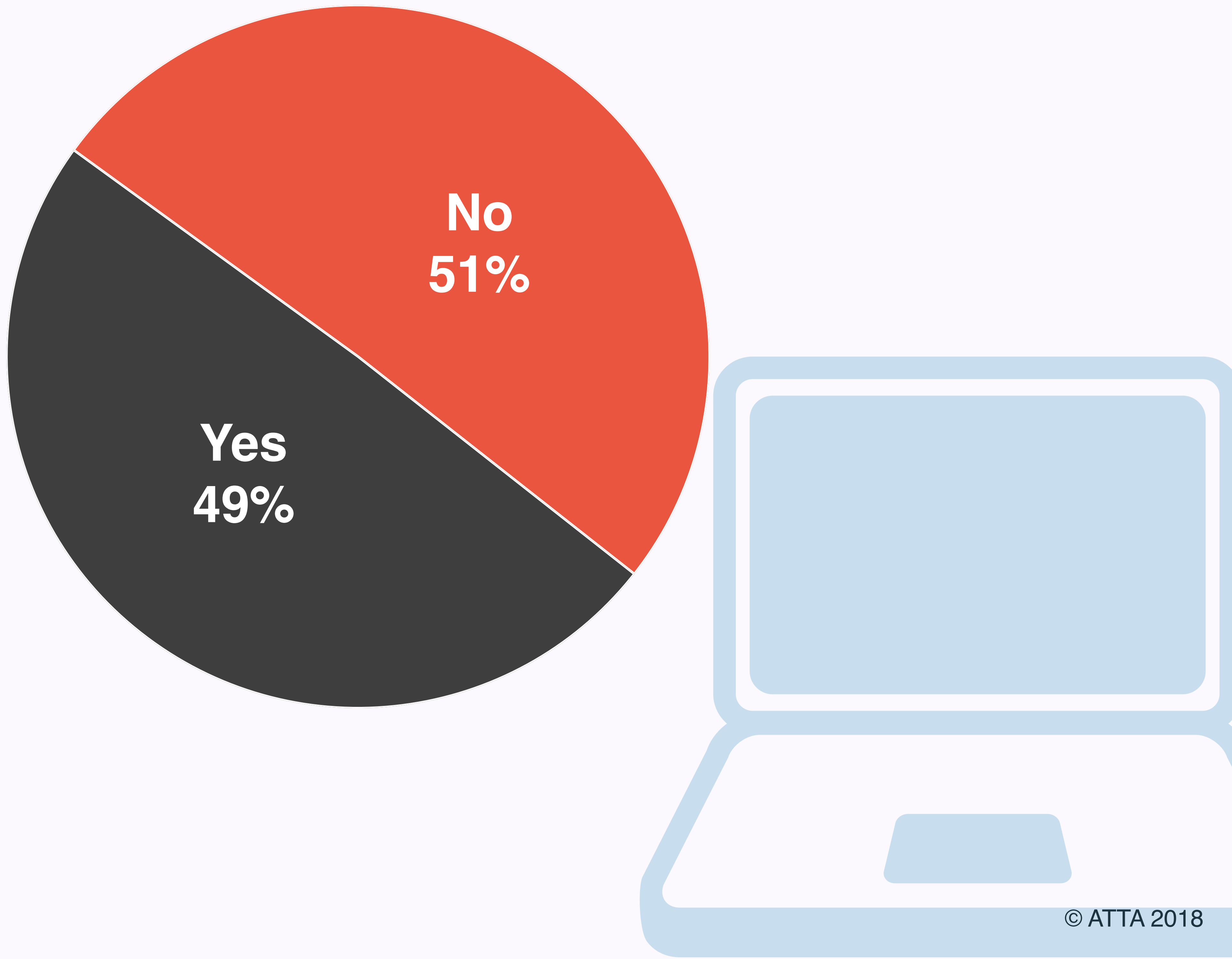
Average Estimated Expenditure on Local Handicrafts or Souvenirs

$118

SPENT PER GUEST (SHOWN IN US DOLLAR)

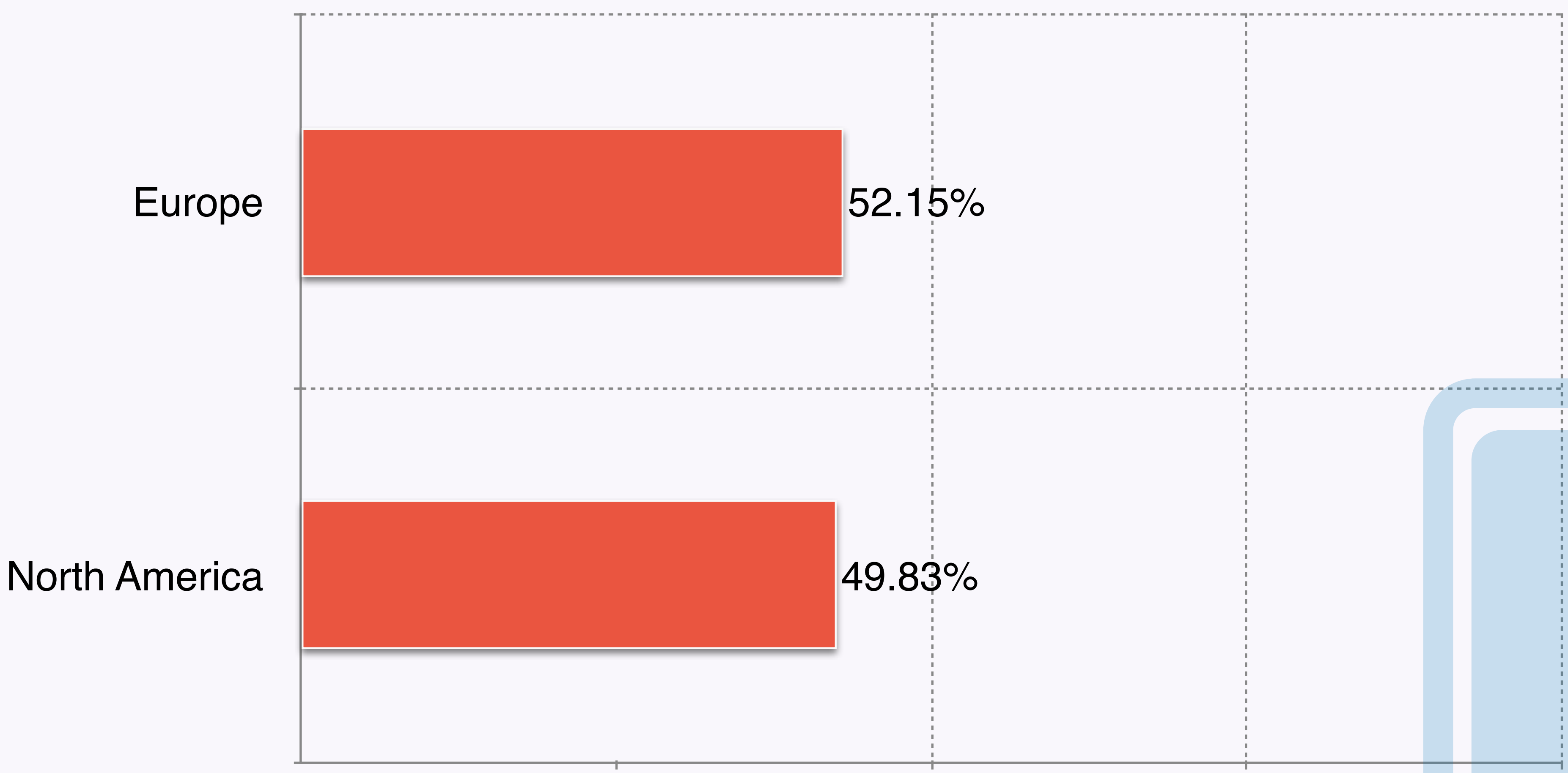
ATTA asked tour operators to estimate how much an average guest spends on local handicrafts or souvenirs.

Percent of Organizations with an Online Reservation System Accepting Credit Cards



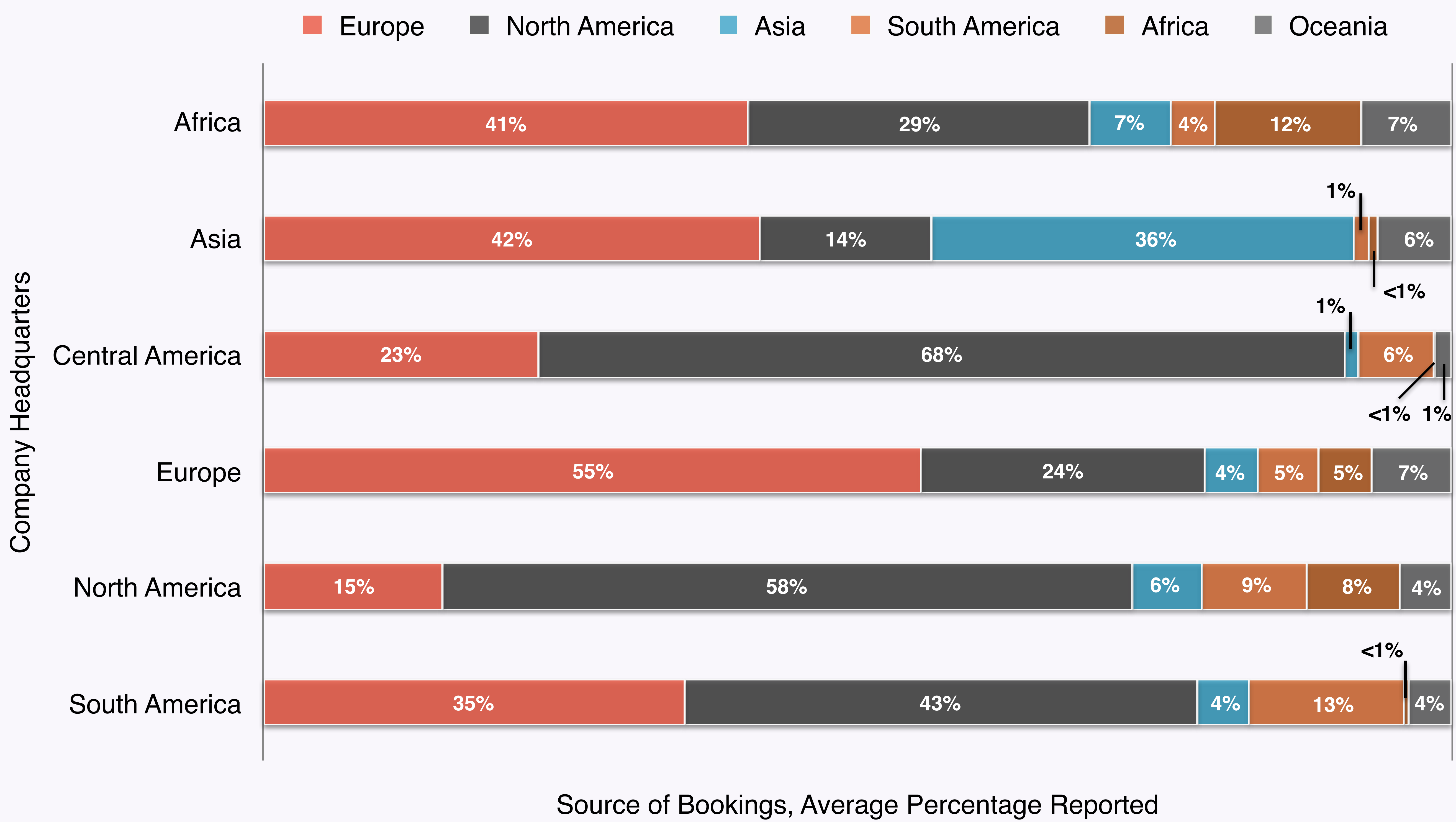
Percentage of Bookings Completed Online*

BY COMPANY HEADQUARTERS

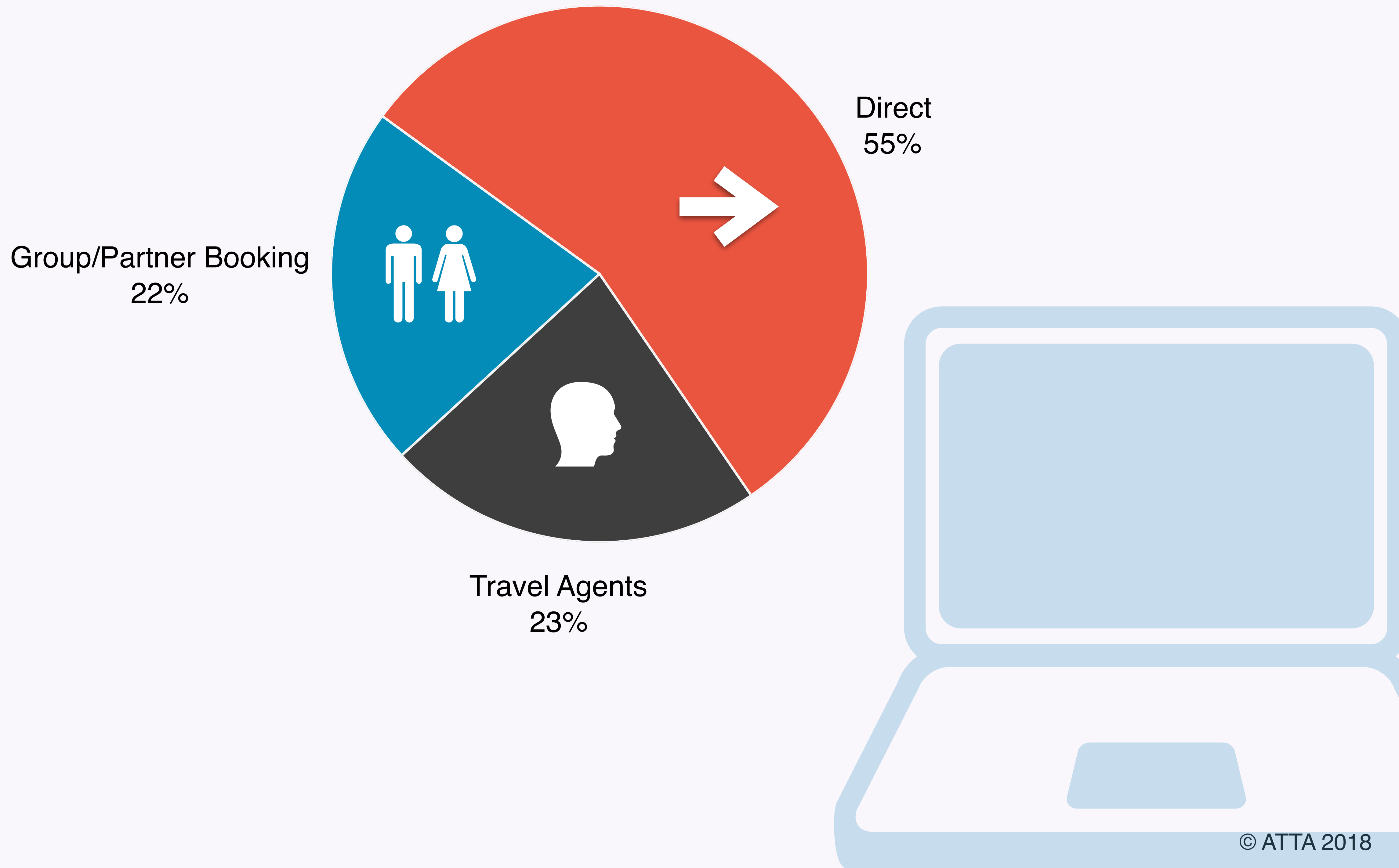


*Online booking means the entire transaction is completed using an automated system to select the trip, confirm availability and pay.

Source of Bookings



Key Booking Channels



Gross Revenue in US Dollars

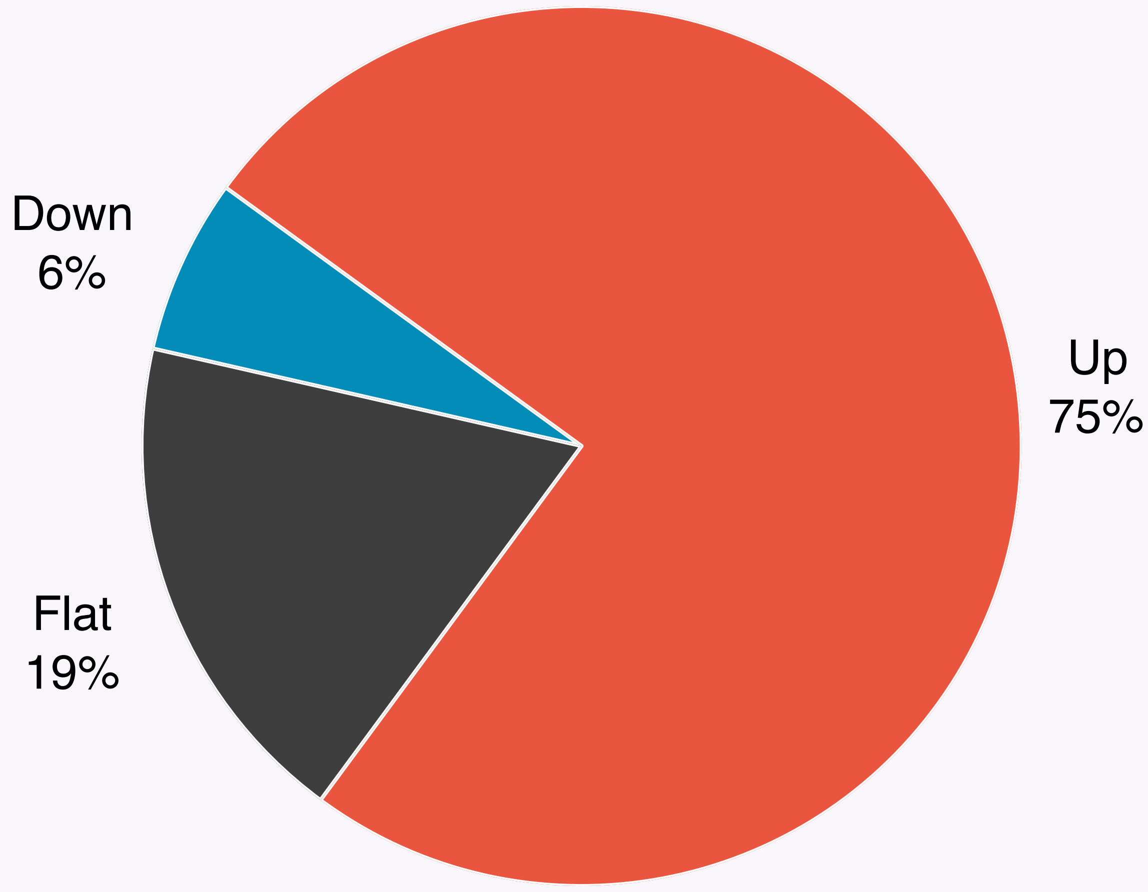
HEADQUARTERS	2017	2016
AFRICA	US$2.0 MILLION	US$1.6 MILLION
ASIA	US$1.6 MILLION	US$2.8 MILLION
EUROPE	US$5.2 MILLION	US$3.5 MILLION
NORTH AMERICA	US$4.9 MILLION	US$4.6 MILLION
SOUTH AMERICA	US$2.5 MILLION	US$2.0 MILLION

** Regions not containing sufficient sample size are excluded from this chart.*

*** Gross Revenue is expressed in USD each year and may be affected by fluctuating exchange rates year over year. Survey respondents provide estimates to the best of their knowledge.*

Net Profit Outlook for 2017

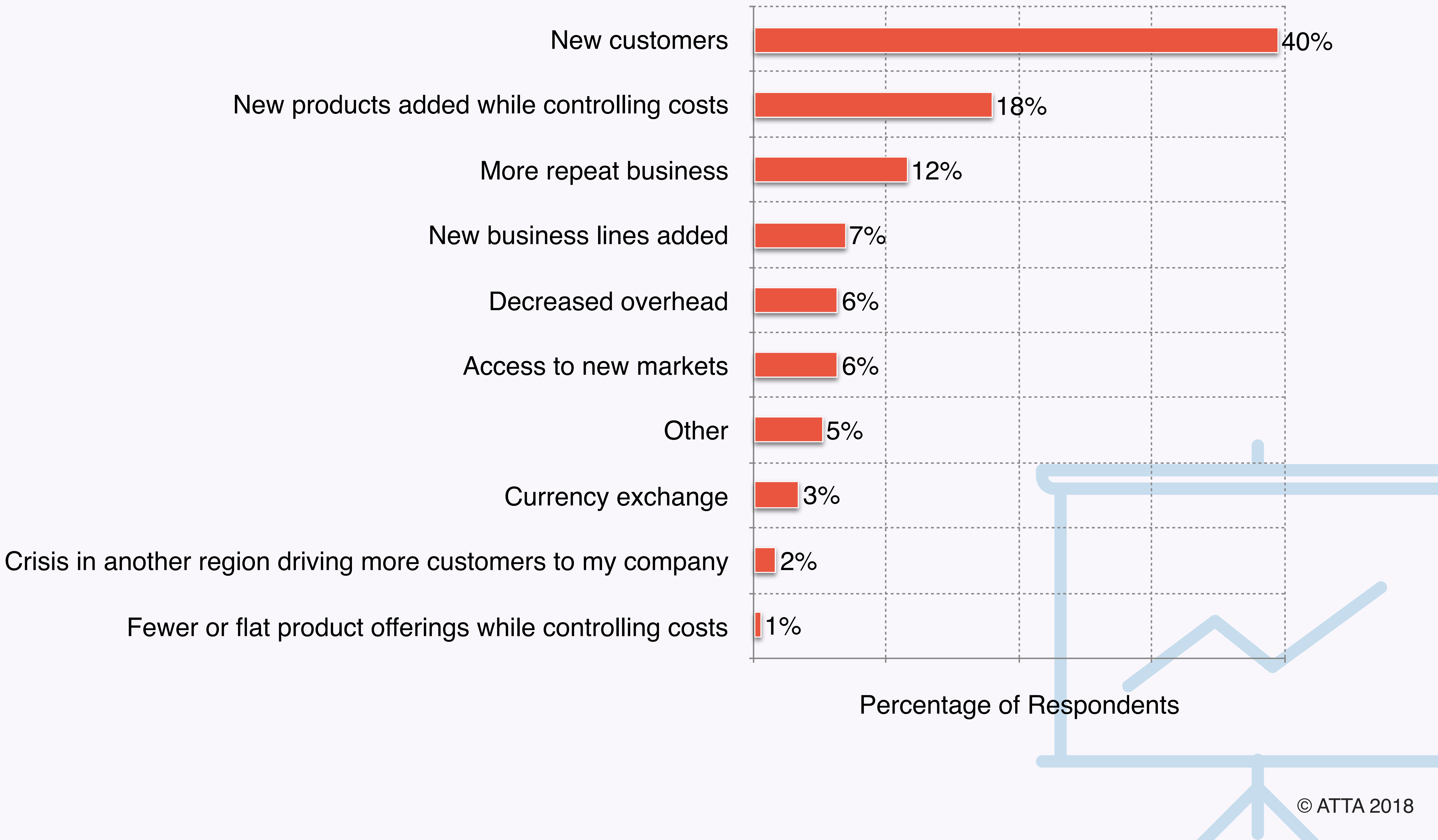
GLOBAL VIEW



REGIONAL VIEW

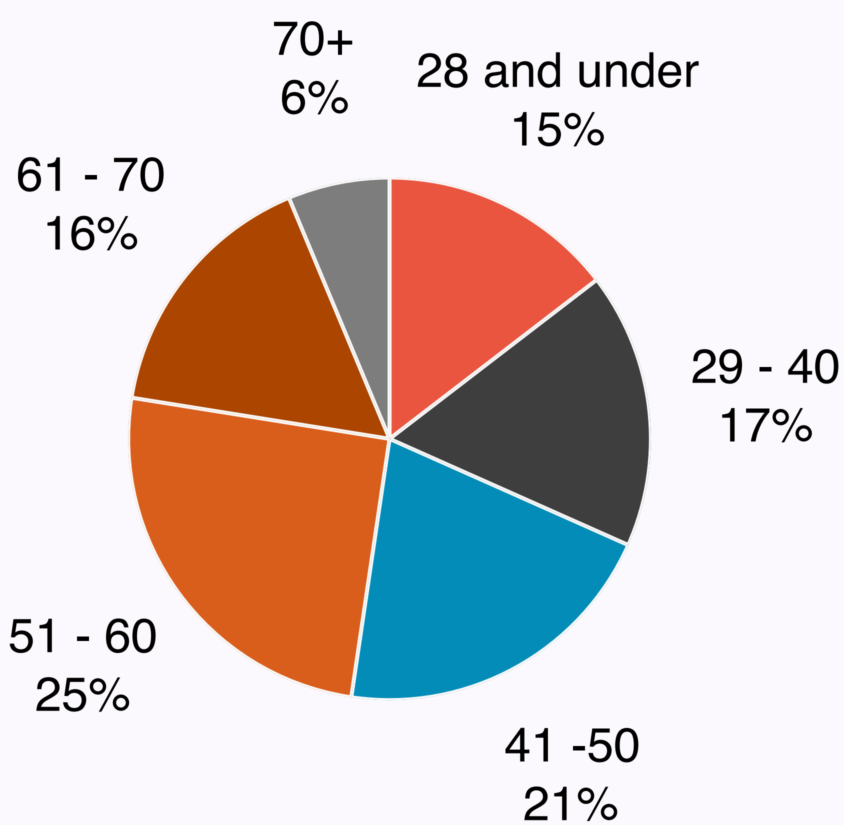
HEADQUARTERS	NET PROFIT OUTLOOK 2017 OVER 2016
AFRICA	+22%
ASIA	+13%
CENTRAL AMERICA	+21%
EUROPE	+27%
NORTH AMERICA	+26%
SOUTH AMERICA	+20%

Primary Factor Influencing Net Profit Projections Positively

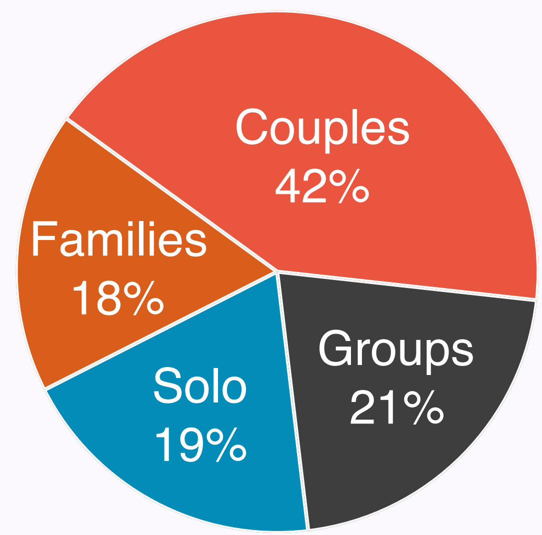


Customer Demographics

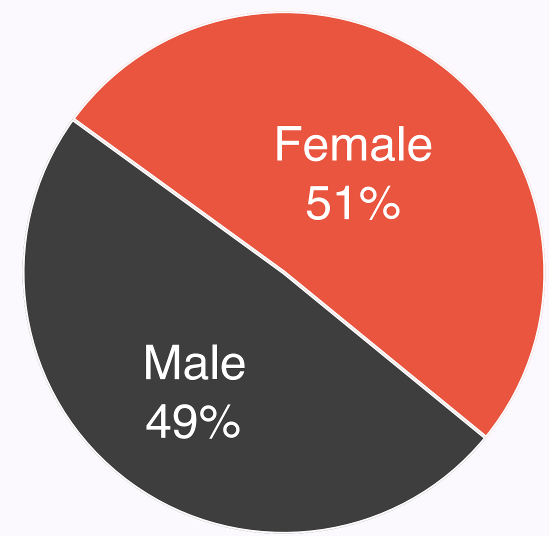
Age



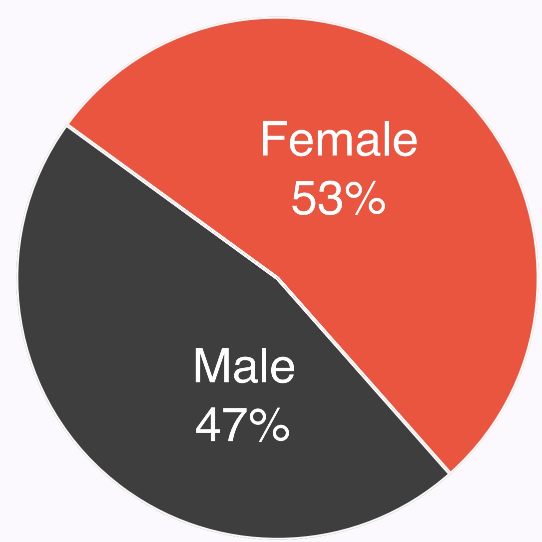
Traveler Type



Solo Travelers



Gender

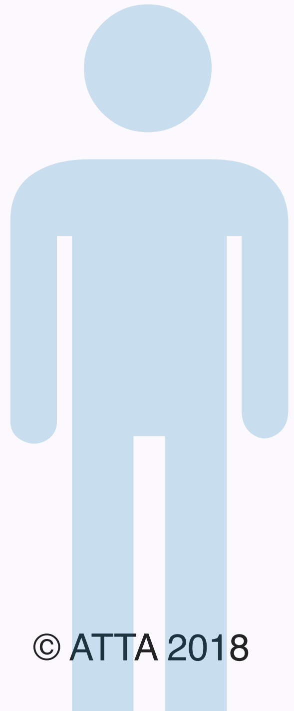


Average Age

HEADQUARTERS	AVERAGE AGE
AFRICA	46
ASIA	41
EUROPE	48
NORTH AMERICA	50
SOUTH AMERICA	51

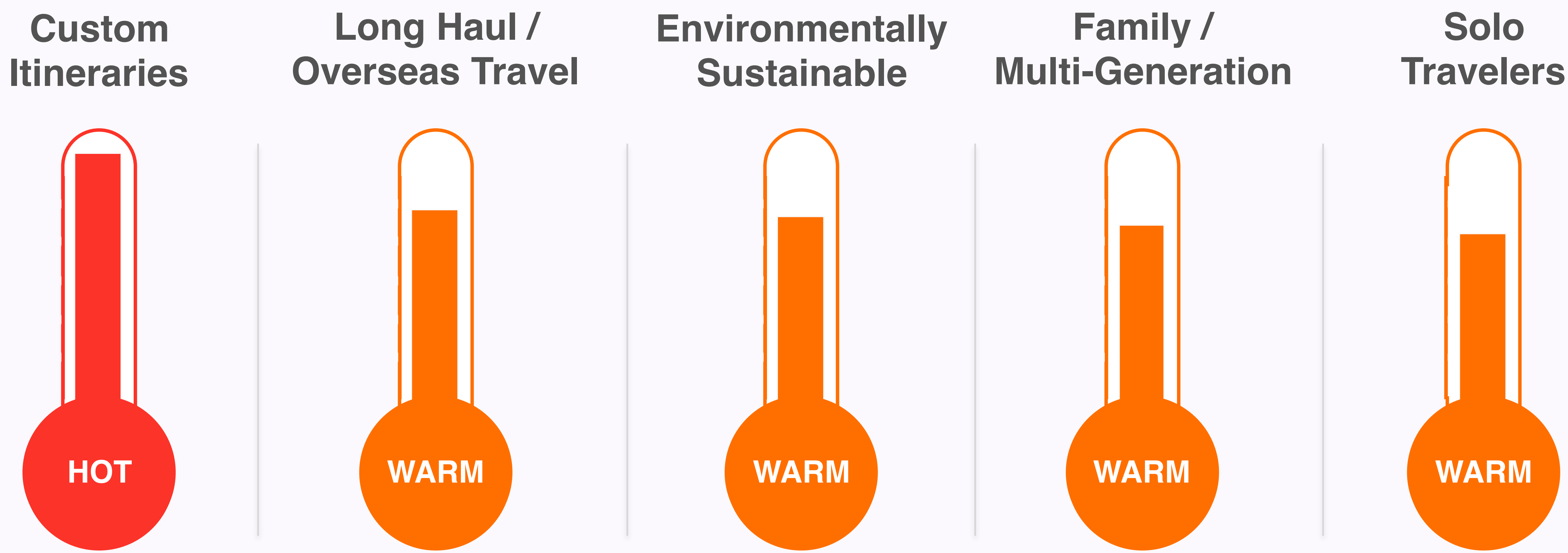
49

GLOBAL AVERAGE CLIENT AGE



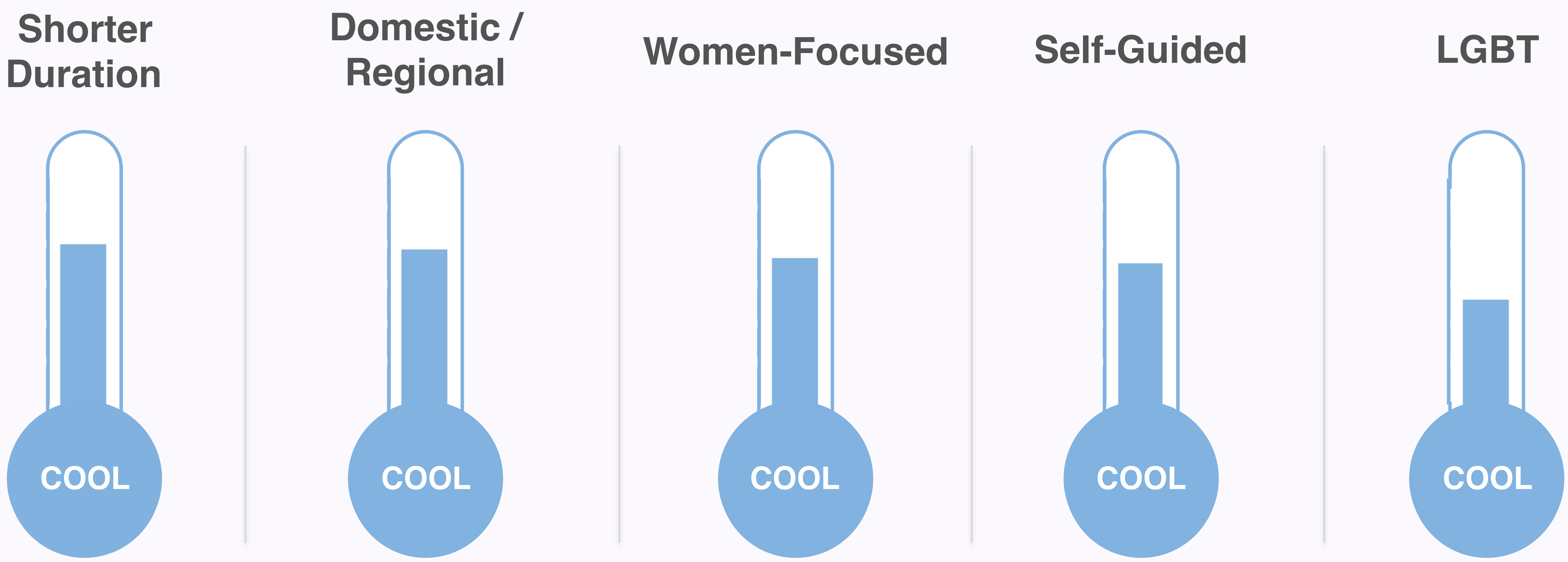
Trending Trip Types

"Hot" trip types have high levels of client demand



Trending Trip Types

"Cool" trip types have low levels of client demand



Other Emerging Customer Demands (Optional Response)

1

Multi-Sport/ Multi-Activity Itineraries

"Combination of activities in one trip"

"Mix of activities in one trip"

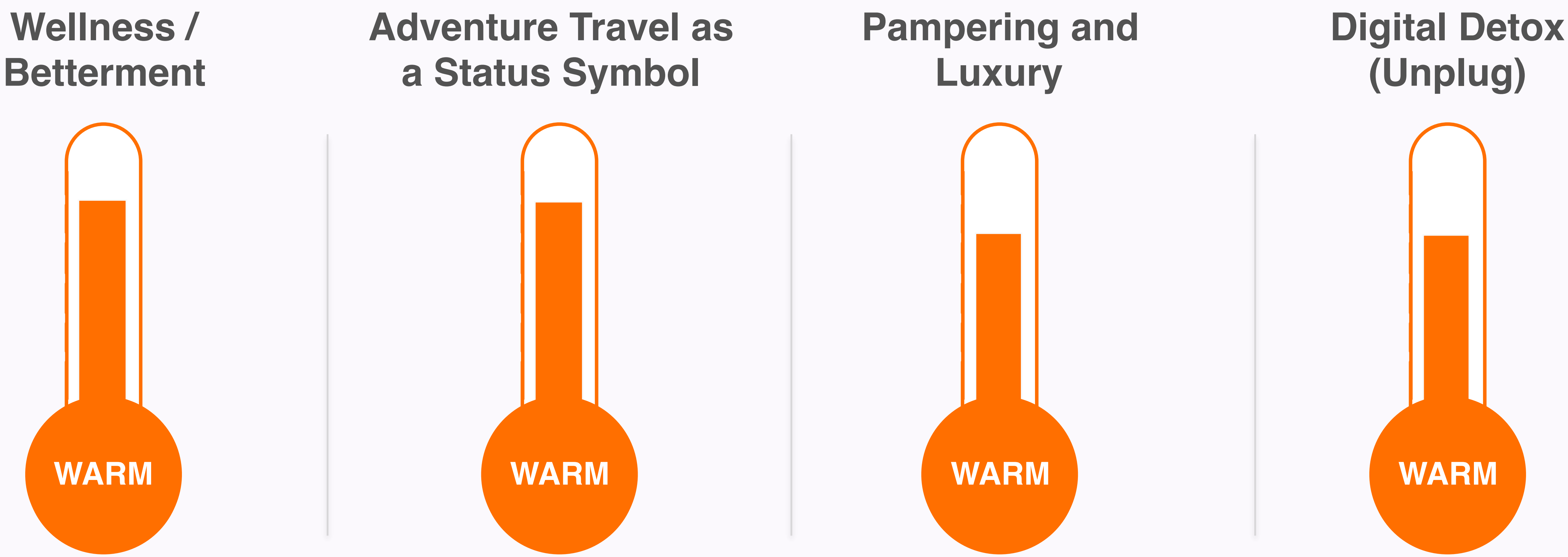
"Multi activity"

Other

- PHOTOGRAPHY
- MOUNTAIN BIKING

Consumer Motivations for Adventure Travel in 2018

“Hot” to “Warm” indicate these factors are very strong to strong motivators



ATTA asked respondents to indicate how strongly they felt these factors were motivating their guests. Respondents found all factors nearly equal in terms of their motivational influence.

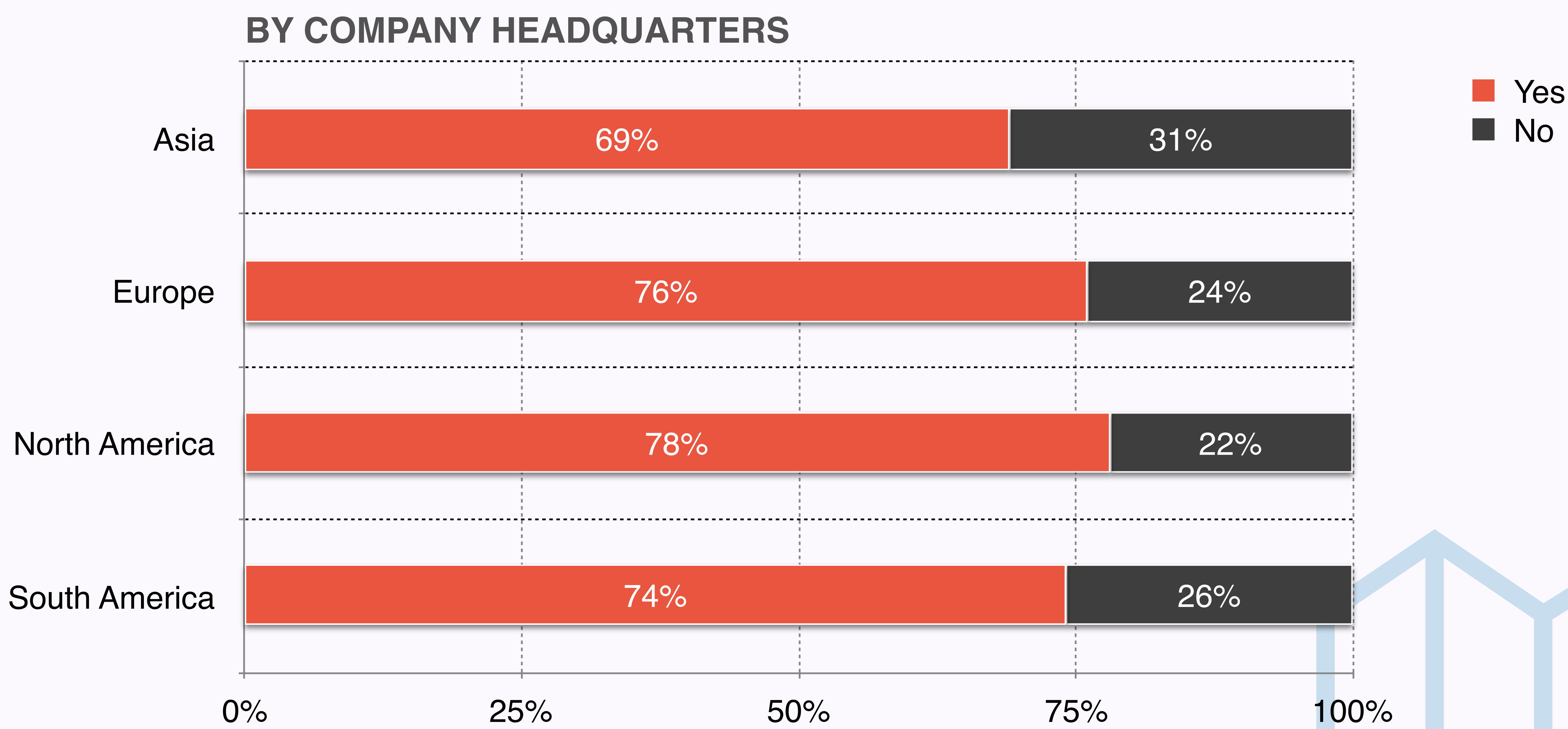
Average Marketing Reach by Channel

Direct Mail
23,215

Email Subscribers
17,364

Social Media
39,125

Companies with a Documented Safety and Risk Management Plan



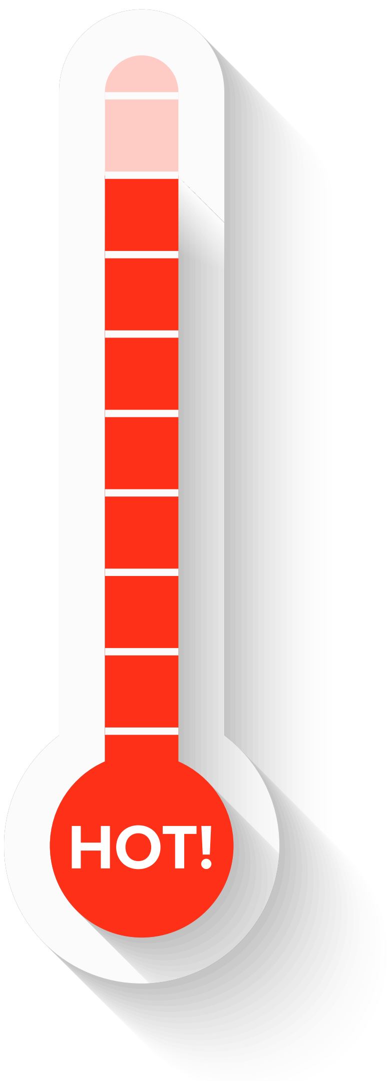
ACTIVITIES

Activity trends are reported globally.

© ATTA / Border Free Travels

Hottest Trending Activities

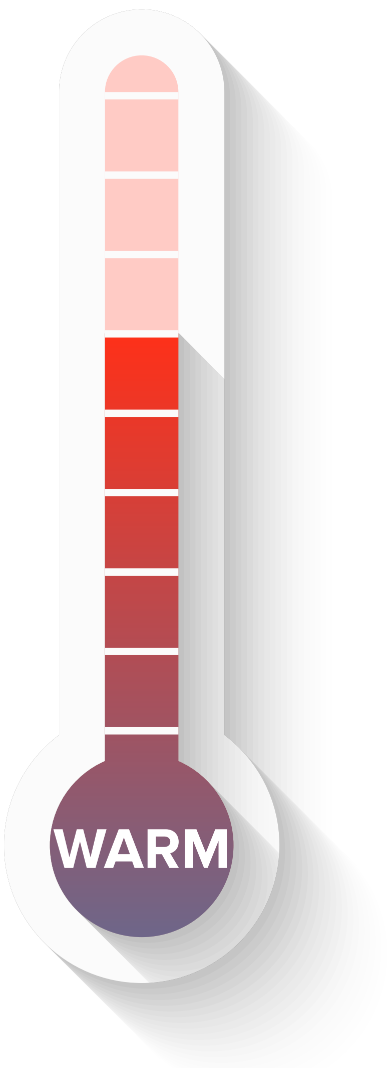
"Hot" activities have high levels of client demand



Hiking

Warm Trending Activities

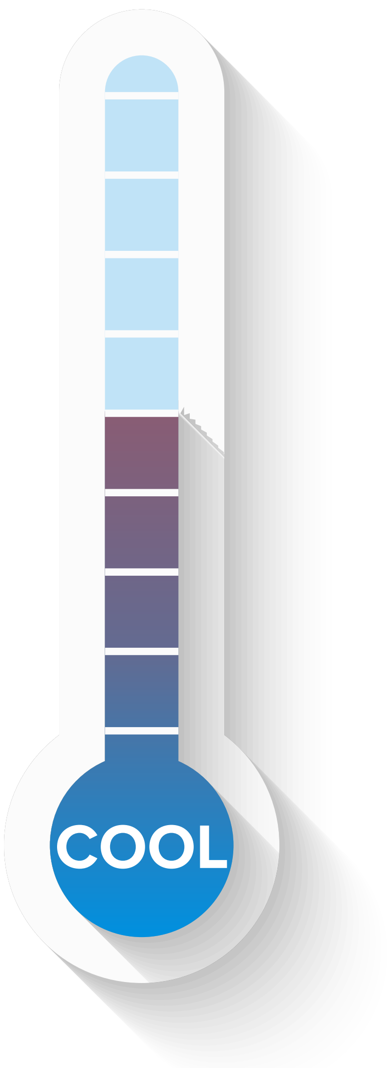
“Warm” activities are in demand



- **Cultural**
- **Eco-Tourism**
- **Environmentally Sustainable**
- **Culinary**
- **Cycling**
- **Safaris**

Cool Trending Activities

"Cool" activities are low in demand



Kayaking/ Sea/ Whitewater

Snorkeling

Rafting

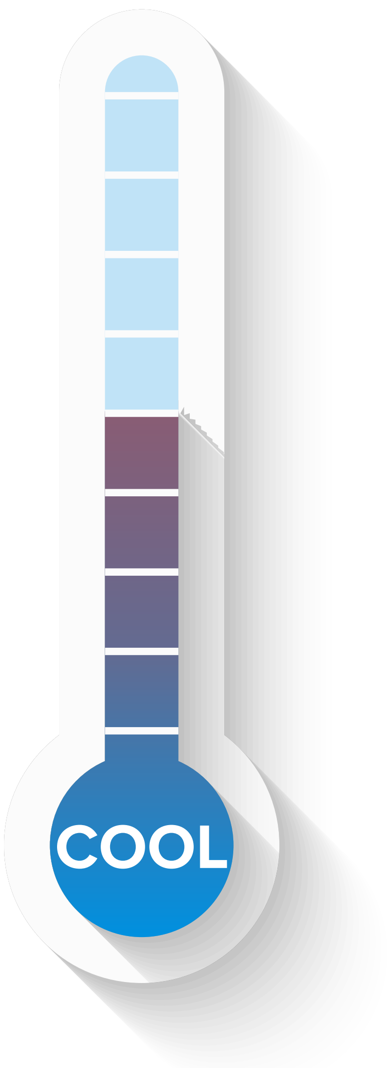
Stand-Up Paddle Boarding

Climbing (Mountain/ Rock/ Ice)

Birdwatching

Cool Trending Activities

"Cool" activities are low in demand



Camping

Philanthropic/ Voluntourism

Scuba Diving

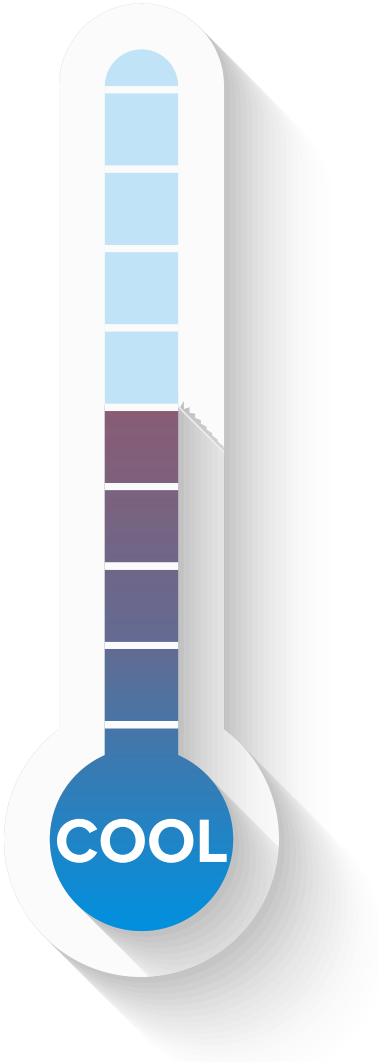
Backpacking

Research Expeditions

Canoeing

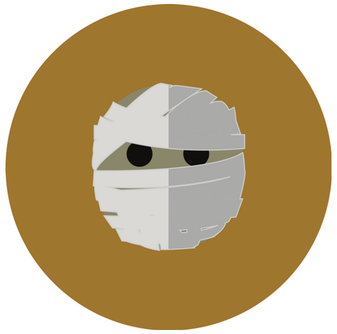
Cool Trending Activities

"Cool" activities are low in demand



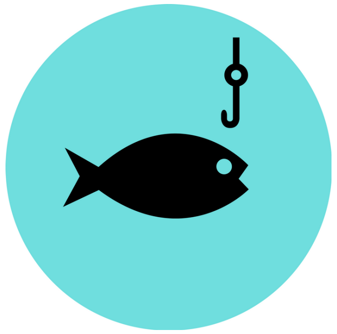
Skiing/ Snowboarding

Horseback Riding



Archaelogical

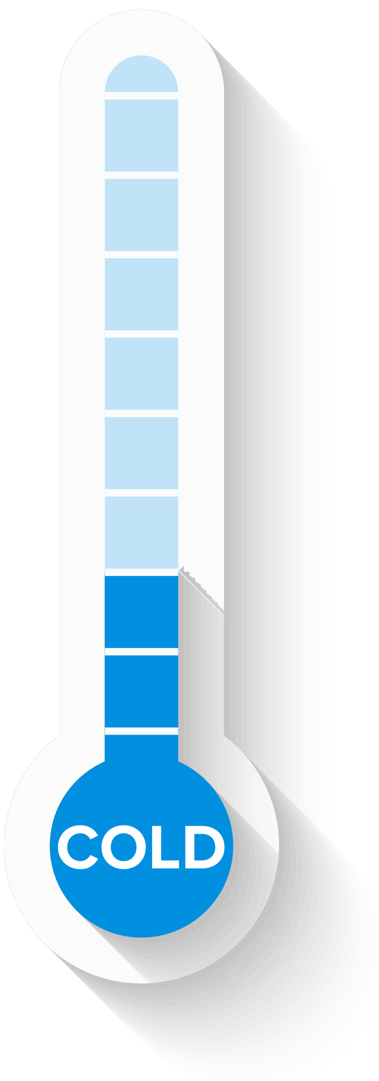
Sailing



Fishing

Cold Trending Activities

"Cold" activities have little or no client demand



Caving

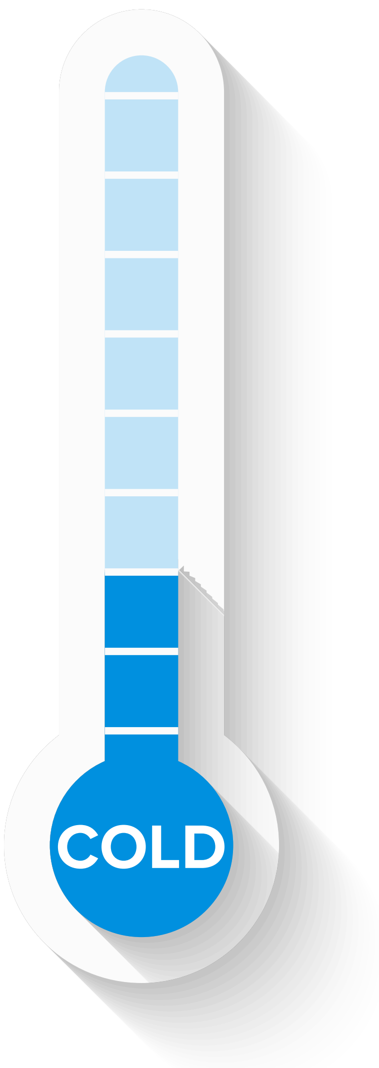
Motorized Sports

Kite Surfing

Paragliding

Cold Trending Activities

"Cold" activities have little or no client demand



Heli-Skiing

Orienteering

Sand boarding

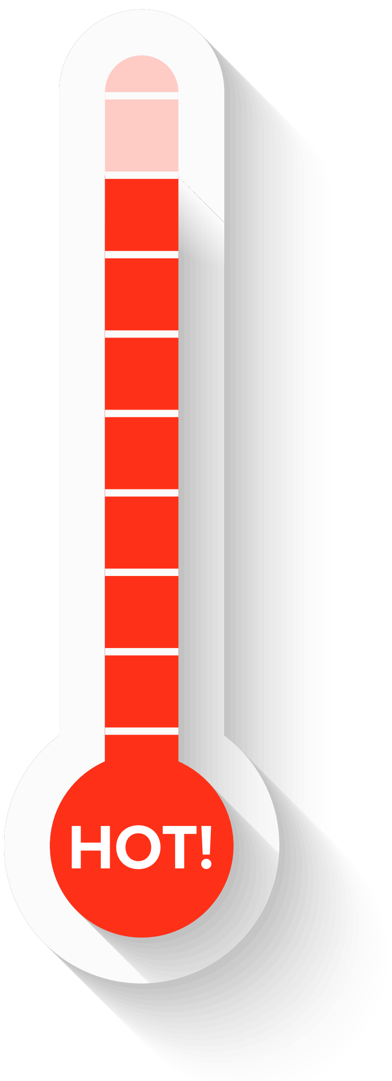
Top Trending Activities by Region

HEADQUARTERS	#1	#2	#3	#4	#5
AFRICA	SAFARI	ECO-TOURISM	HIKING	BIRDWATCHING	CULTURAL
ASIA	CULTURAL	ECOTOURISM	ENVIRONMENTALLY SUSTAINABLE	HIKING	CLIMBING
EUROPE	HIKING	CYCLING	ECO-TOURISM	CULTURAL	ENVIRONMENTALLY SUSTAINABLE
NORTH AMERICA	HIKING	CULTURAL	ECO-TOURISM	ENVIRONMENTALLY SUSTAINABLE	CULINARY
SOUTH AMERICA	ECO-TOURISM	HIKING	ENVIRONMENTALLY SUSTAINABLE	CULTURAL	CULINARY
ALL REGIONS	HIKING	CULTURAL	ECO-TOURISM	ENVIRONMENTALLY SUSTAINABLE	CULINARY

DESTINATIONS

Hottest Trending Destinations

"Hot" destinations have high levels of client demand
"Warm" destinations are seeing an increase in client demand



Eastern Europe

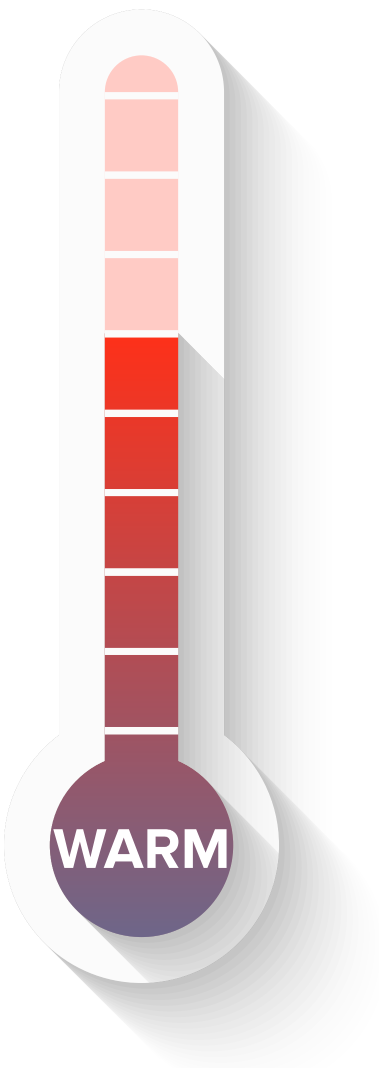
Scandinavia

Southern Africa

Southeast Asia

Warmest Trending Destinations

"Warm" destinations are seeing an increase in client demand



Oceania

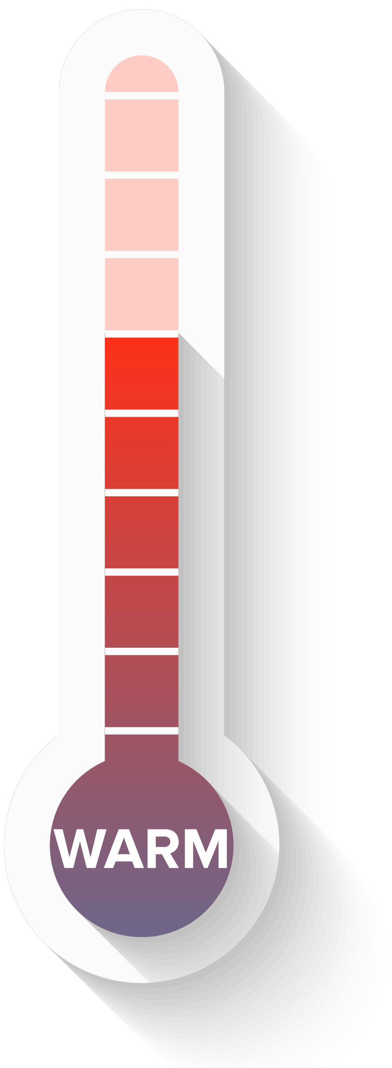
South America

India / South Asia

Antarctic

Warmest Trending Destinations

"Warm" destinations are seeing an increase in client demand



Western Europe

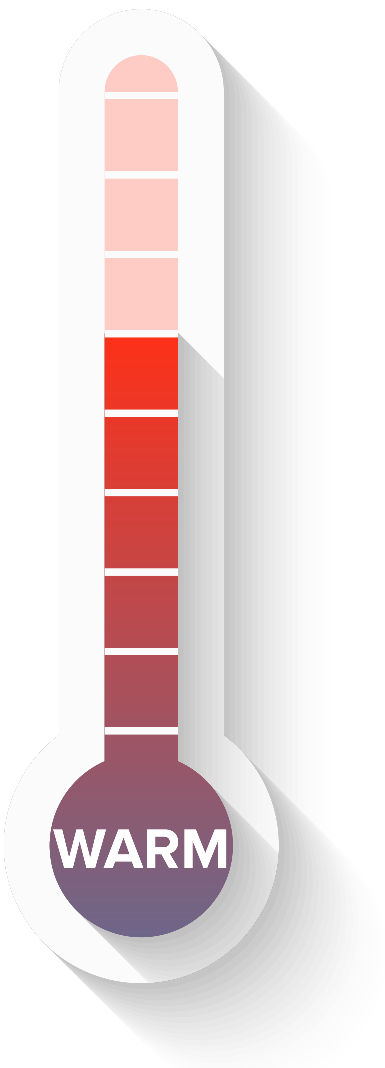
Mediterranean

East Africa

Arctic

Warmest Trending Destinations

"Warm" destinations are seeing an increase in client demand



North America

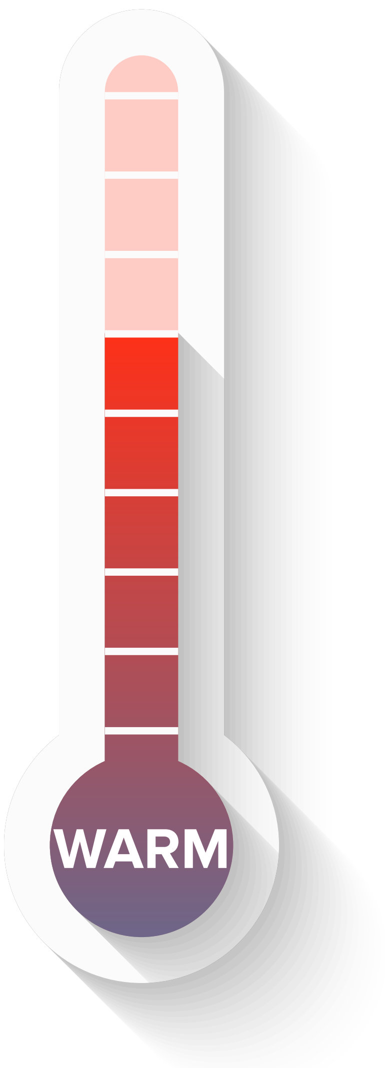
Central America

China / Northeast Asia

Central Asia

Warmest Trending Destinations

"Warm" destinations are seeing an increase in client demand



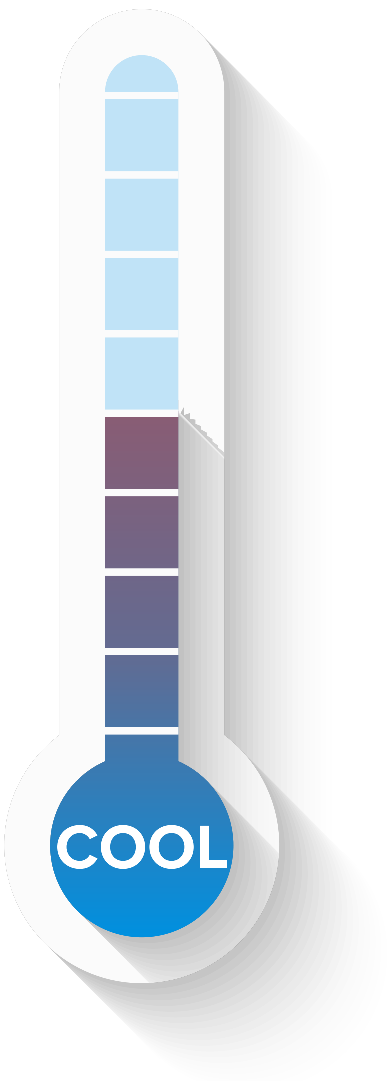
West Africa

Northern Africa

Russia

Coolest Trending Destinations

“Cool” destinations are stagnant in client demand



Middle East

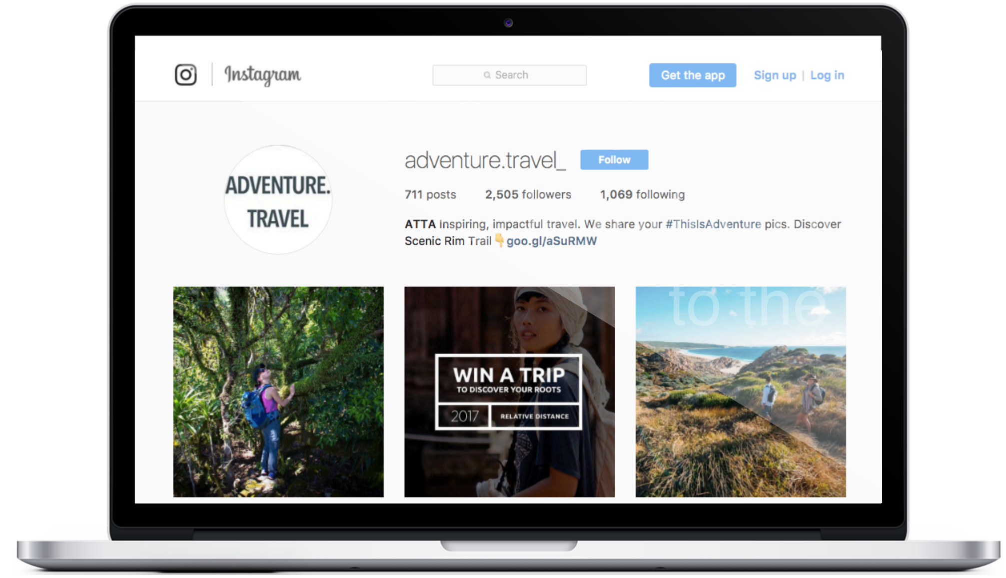
Caribbean

ABOUT ATTA

Established in 1990, the Adventure Travel Trade Association (ATTA) serves over 1,000 members in 100 countries worldwide. Members predominantly include tour operators, tourism boards, specialty agents and accommodations with a vested interest in the sustainable development of adventure tourism. The ATTA delivers solutions and connections that propel members towards their business goals and the industry toward a responsible and profitable future. Through its regional AdventureConnect and AdventureNEXT events and annual Adventure Travel World Summit and AdventureELEVATE trade conference, the ATTA excels in professional learning, networking and partnering services. With expertise in research, education, adventure travel industry news and promotion, members of the ATTA receive competitive opportunities that help establish them as leaders in adventure tourism.

ABOUT OUR RESEARCH

The ATTA strives to produce regular reports that take the pulse of the industry through our membership as well as the global travel industry. In addition, consumer research studies lend insight into the fast paced and changing world of travel and travelers' perceptions of it. At adventuretravel.biz, our Research Reports can be located that dive deeply into the motivations of adventure travelers, the size of the industry, the landscape and health of the industry at large, as well as other targeted reports on subjects ranging from Travel Agents to adventure travel in specific destinations.



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THE ATTA'S WEB PROPERTIES

ADVENTURE TRAVEL TRADE ASSOCIATION

The ATTA's homepage online at www.adventuretravel.biz

ADVENTURE Travel News

The adventure travel industry's source of trade news online at www.adventuretravelnews.com

ADVENTURE .TRAVEL

The traveler's guide to finding adventure at www.adventure.travel

ADVENTURE HUB

The HUB is ATTA's Online Members Community at http://members.adventuretravel.biz

ADVENTURE TRAVEL TRENDS SNAPSHOT

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TRADE ASSOCIATION