Adventure Travel Industry Growth Statistics
A Compilation of Secondary Research
Christina Heyniger, Xola Consulting

This document provides a snapshot of industry research relevant to the adventure travel tourism segment.

First, recognize that "adventure travel" is not a well-defined segment. Adventure travel activities and businesses might also be captured as ecotourism, heritage tourism, volunteer tourism, rural tourism, community tourism, wildlife tourism, to name a few. To capture the size and growth of the adventure travel industry one should be prepared to cast a very wide net.

We may confidently infer growth in the adventure travel industry by examining a range of indicators, for example:

a) Growth in participation in outdoor, human-powered activities
b) Growth in the outdoor gear retail industry
c) Growth in the tourism industry growth overall

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GENERAL TOURISM INDUSTRY GROWTH

According to the World Tourism Organization's World Tourism Barometer, international tourist arrivals reached an all-time record of 760 million – an increase of 10% over 2003. "Growth in 2004 was found in all regions, with strongest performance in Asia and the Pacific (29%), something that leads to hope that the region will recover quickly from the effects of the tsunami."[1] In the United States, tourism is now the third-largest retail industry, behind car dealers and food stores.

ANECDOTAL REPORTS OF ADVENTURE TRAVEL INDUSTRY SIZE

The question, 'How many firms participate in the "adventure travel" industry?' is not a simple one to answer. Previous estimates range wildly, with no consistency of study method or measurement technique. For example, a 1998 *Forbes* article claimed that the 8000 U.S. companies packaging tours for adventurers generated approximately $7 billion in 1997. A *Wall Street Journal* article published in May, 2003, estimated the market at $245 billion. A World Travel and Tourism Council report indicated that "eco tourism," with its many similarities to adventure travel, contributed $154 billion in worldwide receipts in 2000 and is growing at 20% annually. [2]

Take a basic Internet search using Yahoo: in 2000, Yahoo! Web listed 36 specialized tour categories with a combined total of 946 listings under all categories. Among the top:
Adventure Travel with 601 listings;
Eco tours with 36 listings;
Educational or sports tours with 33 listings.

Compare those results to what we find in a 2005 Yahoo! search:
Adventure Tours: 770 listings;
Eco Tours: 335 listings
Cultural Tours: 499 listings
Heritage Tours: 390 listings

Two niches not even on the radar in 2000 – cultural tours and heritage tours – now have a combined 889 listings. Adventure travel (without even knowing how Yahoo! separates adventure travel from eco travel) grew 28%.

MISCELLANEOUS STATISTICS SUPPORTING ADVENTURE TRAVEL SEGMENT GROWTH

- A "geotourism" study undertaken by National Geographic and TIA in 2002 suggests that adventure or "active" travel is 20% of the leisure travel market, between 16 million and 20 million adult travelers. ("*The Geotourism Study: Phase1.*") The report attempts to understand traveler attitudes that lead to potential sustainable tourism behavior and provide the travel industry with insight

[1] "2004 A Record Year For Tourism;" Feb 2, 2005. Leisuretourism.com
[2] "Industry as a Partner for Sustainable Development;" Copyright 2002; World Travel & Tourism Council, International Hotel and Restaurant Association, International Federation of Tour Operators, International Council of Cruise Lines and United Nations Environment Programme.

into future consumer expectations. It states that 55.1 million Americans can be classified as "sustainable tourists" or "Geotourists," and then segments this group into categories, identifying one segment as "geo savvy" travelers. It only takes a minute to examine the "geo savvy" travelers' preferences and see that the adventure travel industry is in a prime position to deliver the kind of experiences a growing segment of the traveling population desires. For example,

- They are three times above average in enjoying primitive travel to wilderness areas
- They are two times as likely that average to like outdoor adventure travel, offering challenge, risk and excitement or to travel to remote locales.
- 81% travel to experience people, lifestyles and cultures different from their own
- 80% visit small towns and rural areas

- The Mintel Report 2001 on the European Adventure Travel Market suggests that the adventure side of the package tourism business in Europe accounts for something in the region of 25% of the total package sales. This indicates that, excluding domestic travel, the total size of the European Adventure travel market is some 443,000 holidays per year. (*Adventure Travel. European Report.* October 2003. Mintel International Group. Cited in <u>Niche Tourism</u>; Edited By Marina Novelli; Elsevier, Butterworth, Heinemann; 2005)

- "Travel Industry Association of America has estimated that about 10 percent of Americans have taken an adventure-travel trip, and that it's growing by about 10 percent a year." (Kristin Jackson, "*Going semi-wild on adventure tours*;" Seattle Times; May 22, 2005)

- The *VirtuosoLuxe Report*, an annual snapshot of travel trends and habits of affluent travelers, indicates that 40% of clients seek active vacations or active "add-ons."

- 68.6% of travelers surveyed at travel trade shows indicated they are planning an "adventure vacation" in the future. (*Adventure Travel Study 2005; sponsored by ATTA and Michigan State University*)

- "One of the fastest growing parts of the sector is cultural tourism, according to studies by the Travel Industry Association of America and Smithsonian magazine." ("*Heritage Tourism Booming in America." Leisuretourism.com. Sept 15, 2004.*)

- "Travelers, young and old, will challenge traditional vacations as they seek, on average, up to four very different experiences a year by 2020. Choice of location and activities is expected to vary enormously as future travelers adopt a check-list mentality which entails ***buying a series of one-off experiential vacations***." ("*The World of Travel in 2020" study, commissioned by global travel giant, Cendant Travel Distribution Services*)

- Top Ten Adventure Activities for Baby Boomers:
    1. Fresh or saltwater fishing
    2. Escorted or guided tours
    3. Biking
    4. Hiking/backpacking/rock and mountain climbing
    5. Camping (tent)
    6. RV camping
    7. Motorcycling
    8. Horseback riding
    9. Snorkeling
    10. Whitewater rafting/kayaking

    2005 Travel and Adventure Report: A Snapshot of Boomers' Travel and Adventure Experiences. Data Collected by Knowledge Networks. Copyright AARP, 2005.

- An ATTA survey of more than 1000 travel trade show participants revealed physically active, "risk equipped" sports requiring specialized equipment (hiking, biking, kayaking) were preferred by 60% of all survey respondents.
    - Soft nature activities (bird watching and walking, for example) were favored by 45% of respondents
    - Rugged nature favored by 39%
    - Winter snow favored by 32%.

    (Total percentages add up to more than 100% because respondents were asked to select all activities from a list)

WOMEN AND ADVENTURE TRAVEL

- "Many industries are experiencing major growth, fueled by the purchasing power of the "adventure-seeking woman." This woman crosses all ages, family configurations and fitness levels. She's carving time in her schedule and finding wiggle room in her budget for new adventures that involve everything from rock climbing to Tuscan cooking to snowshoeing." *("Desperately Seeking Something New: The Adventure-Driven Woman by Lisa Johnson, CEO of Reachwomen; May 10, 2005")*

There are four basic adventure categories for women:

1. Skill building**:** home improvements, auto repair, shooting and creating home movies, composing music with computer software and figuring out how to use all the features on her new digital camera
2. **Outdoor: snowshoeing, kayaking, fly fishing, hunting, boating, adventure travel**
3. Intellectual/cultural**:** wine tasting, fine dining, coffee, book clubs, gallery visits, opera tickets, Spanish lessons and salsa dancing
4. Spiritual: journaling, retreats, group or church membership, writing a personal memoir, yoga, meditation classes, Tai Chi

("Desperately Seeking Something New: The Adventure-Driven Woman by Lisa Johnson, CEO of Reachwomen; May 10, 2005")

- Time Magazine, May 16, 2005, p53- 63; "Mid-Life Crisis? Bring It On!" This article describes how women over 40 are seizing that stressful, pivotal moment in their lives to reinvent themselves. The piece highlights adventure travel experiences: "When women find a key to solving their own midlife mysteries, they often want nothing more that to help other women do the same. That typically involves some kind of journey, often a literal one…. The notion that the way to launch a spiritual journey is to take an actual trip is fueling the adventure-travel market, ***especially since many adventure travelers are women in their 40s."***

OUTDOOR INDUSTRY ASSOCIATION RESEARCH

From the Outdoor Industry Foundation*; Outdoor Recreation Participation Study, Seventh Edition for Year 2004, Trend Analysis for the United States, published June 2005*.

The Outdoor Industry Association tracks two groups of people engaged in outdoor activities: "**Enthusiasts**" and "**Participants.**" Enthusiasts represent the core outdoor recreation market. These people purchase high priced, technical gear and engage in outdoor activities regularly. Participants are all Americans 16+ who believe they participated in the activity at least one time in the past year. "Participants" are viewed as potential, future "enthusiasts."

OIA reports that "enthusiast" levels are up for:

- Single track biking
- Dirt road biking
- Hiking
- Rafting
- Snowshoeing
- Telemark skiing
- Trail running

"Participant" levels are up for:

- Canoeing
- Snowshoeing
- Telemark skiing
- Trail running

RETAIL INDICATORS

- "Cabela's Incorporated (NYSE: CAB), the World's Foremost Outfitter(R) of hunting, fishing, and **outdoor gear,** reported financial results for its first fiscal quarter ended April 2, 2005. Total revenue for the first quarter of fiscal 2005 increased 11.7% to a record $350.6 million compared to $313.9 million for the same period last year." CEO Dennis Highby stated: "After an historic year [2004] for our Company, highlighted by our initial public offering and record **sales** and earnings, we are pleased that our momentum has continued into fiscal 2005. We continue to expect our revenues and profits for fiscal 2005 to grow at a mid-teens rate.” *Copyright 2005 Business Wire, Inc. Business Wire April 28, 2005 Thursday 8:00 PM GMT*

- REI posted **sales** of $ 887 million in 2004, a 10 percent increase from the prior year. Profits increased by 32 percent to $ 25 million last year. More importantly, comparable-stores **sales** -- which measure all stores open over the reporting period -- increased 5.3 percent over the previous year.

- In 2008, the global sports equipment market is forecast to have a value of $94.11 billion, an increase of 9.9% since 2003. ***Datamonitor Industry Market Research***, Nov 1, 2004 pNA

- Outdoor Channel Holdings, Inc. (NASDAQ:OUTD) today reported total revenues of $10.1 million for the three months ended March 31, 2005, up 9.1 percent from $9.2 million in the prior-year period. Advertising revenue, which is generated principally from the sale of advertising time on the company's national television network, The Outdoor Channel, rose 9.0 percent to $5.3 million in the 2005 first quarter from $4.8 million a year ago. Subscriber fees, which are solely related to The Outdoor Channel, grew to $3.6 million from $3.2 million in the same period a year earlier. As of May 2005, the company estimated The Outdoor Channel was available to more than 74.7 million homes across the country. As estimated by Nielsen Media Research, The Outdoor Channel is subscribed to by approximately 24.3 million homes in May 2005. *Copyright 2005 PR Newswire Association LLC. All Rights Reserved. PR Newswire US May 16, 2005 Monday 08:00 PM GMT*

- Equipment made up 14% of outdoor specialty and chain store sales in 2004. While this category showed some sales revenue decline in the period, there were a few bright spots: Recreation tents were the biggest sellers, especially in chain stores; synthetic sleeping bags (cool and warm) are doing relatively well at chain stores; and lower prices on down sleeping bags have encouraged sales, especially in specialty stores. Consumers seem to be shifting their purchasing preference for some equipment, like climbing gear, from outdoor specialty stores to outdoor chains. This shift is likely the cause of the 12% sales decline in climbing gear at specialty stores for the period. Outdoor Industry Association’s “Top Line Retail Sales Report”

- Outdoor retail is estimated to be a $ 20 billion-a-year industry; 149 million outdoor enthusiasts, according to the Outdoor Industry Association, the trade group for the nation's outdoor supply and retail chains.

- Outdoor Industry Association's "Top Line Retail Sales Report" offers socio-economic findings that help put retail sales information into perspective. These findings include:

    - Aspiration vs. Inspiration - there has been a mindset shift from outdoor recreation participants being motivated by adventure and glory, to seeking peace and solitude in the outdoors**.**
    - Women have Impact - sales of women's-specific products have had a significant impact on the industry. Women's-specific equipment, apparel and footwear amassed $875 million in 2004. Part of this increase is due to the new availability of women's products.

AGING STATISTICS

The data below is aging, statistics gathered from **"Adventure Tourism."** ***Encyclopedia of Emerging Industries*****, 2nd ed. Gale Group, 1999. Reproduced in Business and Company Resource Center. Farmington Hills, Mich.:Gale Group. 2005**.

- Executive participation in the outdoor adventure program at Outward Bound's Wilderness School increased by 66 percent between 1992 and 1996. *Forbes Magazine,* 1998

- In 1999 the Travel Industry Association of America estimated that nearly 50 percent of the adult travel population--147 million people--took at least one adventure trip in the United States. Of all adventure travel, *Colorado Business Magazine* estimated that soft adventure packages accounted for approximately 60 percent.

- In the mid-1990s, the leading adventure travel destinations included New Zealand and Australia, Colorado and Alaska, and Africa. South and Central American countries such as Belize, Costa Rica, and Honduras, as well as trips along the Amazon River, remain perennial favorites for adventure tourists. The southern region of Africa including Botswana, Uganda, South Africa, and Zimbabwe proved quite popular as well.

- *Travel Weekly* contends that in contrast to the stereotypical adventure traveler of other decades, typically a man in his twenties with little money, the 1990s adventure traveler is a mature traveler 35 to 50 years old. Moreover, women constitute a significant adventure-seeking contingent, accounting for approximately 60 percent of all adventure travel.

- In 1997 binocular sales grew as a result of the greater interest in adventure and outdoor activities, according to *Sporting Goods Business.* The increased demand for binoculars led to the development of new models that cater to the needs of adventure travelers, providing the convenience of zoom capabilities and a compact design.

- Along with the growth in sporting goods sales related to adventure travel, a new hybrid has emerged in response to the booming industry: "travel stores," which offer a combination of outdoor specialty equipment sales, luggage sales, and travel agency services. Retailers such as Boulder-based Changes in Latitude and Austin-based Whole Earth sell maps, apparel, outdoor equipment, travel gear and luggage, and also book and manage adventure tours.

- Spending on recreational activities has grown dramatically since 1990, even in the absence of more free time. It was projected that spending by Americans on recreational activities would increase more than 30 percent between 2000 and 2005. Source: "Amusement and Recreation Services, Not Elsewhere Classified." *Encyclopedia of American Industries*. Online Edition. Gale, 2004.

TOURISM DEVELOPMENT RESULTS FOR EMERGING ECONOMIES

- To help promote tourism, Ethiopia has revamped its regional airports, is restoring historical sites and offers visas upon entry to the country in a bid to attract more tourists. In 2003 approximately 180,000 people visited the country generating US $80million."[3]
- In a collaborative study currently underway by the Tourism and Travel Research Institute and the Centre for Angro-Tourism Research and Development at the University of Talca, Chile, researchers are examining rural tourism development in Maule, the second poorest region in Chile. "The aim of the project is to assist the development and quality enhancement of rural tourism businesses, including campsites, cottages and accommodation and catering in farms. This will provide an alternative to subsistence farming, raise incomes, deter migration by younger, better educated members of the population and increase the status and self-esteem of the local people." (www.nottingham.ac.uk/ttri)

CURRENT STUDIES: ADVENTURE TRAVEL TRADE ASSOCIATION'S APPROACH TO THE QUESTION OF INDUSTRY SIZE

In seeking a definition to inform its count of industry participants, the Adventure Travel Trade Association leveraged the results of more than 1000 surveys conducted at travel trade shows ("Adventure Travel Survey, 2005" Paige Schneider, Michigan State University) in which travelers were asked what they thought about the definition of "adventure travel." **Using their responses as a guide, the ATTA decided that to be included in its count of industry participants, "adventure travel" companies would have two out of three of the following elements: a physical component, a wilderness or nature component, and a cultural learning/ exchange component.**

We began with systematic review of adventure travel databases to capture U.S.-based organizations in the following segments:

- Adventure travel tour operators

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[3] "Tourism to be harnessed for poverty alleviation in Ethiopia." Leisuretourism.com. November 24, 2004.

- University parks and recreation programs and wilderness skills schools
- Tourism and adventure travel associations

Additional segments to be ‘audited’ and counted in future research phases include:
- Guides
- Retail companies
- Lodging providers
- Transportation service providers
- Specialty Travel Agents
- Consultants/advisors
- Tourism boards/ministries/government agencies

Databases and sources of company information used in the first phase of research include:
- Internet-based travel portals and aggregator sites
- Outfitters and Guides Associations
- Published adventure oriented travel directories

ATTA Current Research Phase 1 Results

In our first phase of research, looking only the United States, and using data found in Internet-based travel portals and aggregator sites, Outfitters and Guides Associations, and published adventure oriented travel directories, the team obtained the following information:
- Universities with programs dedicated to tourism/parks and recreation, wilderness skills schools = 430
- Tourism and travel trade associations, including state tourism boards = 73
- Adventure tour operators = 813

In scouring and validating these resources, the ATTA and its partner colleges and universities have learned that sizable chunks of aggregator sites are incomplete and/or have aging information. In its efforts, the ATTA has begun the process to compile the most accurate, up-to-date database of adventure travel businesses that will be regularly reviewed to ensure the integrity of the data. As each phase of the project is completed, the ATTA will convey to the industry is plans for the databases, which have both in-industry applications, as well as exceptional benefits for consumers.

In the next phase of this research, for the U.S.-based assessment, the ATTA plans to approach the count on a state-by-state basis, using regional teams of academic researchers and comprehensive review of the following sources:
- Convention and Visitor Bureaus
- Chambers of Commerce
- Regional websites
- Sport-specific clubs and organizations

Following the completion of the U.S. based count, the ATTA hopes to work with academic partners around the world to replicate the study, eventually setting the stage for global data gathering and trending analysis.