



THE STATE OF THE AMERICAN TRAVELER

Gas Prices and Economy Dampen Leisure Travel Outlook

Our latest travel opinion survey shows soaring gas prices and personal financial concerns may seriously impact the industry in the months to come. The July survey of 1,014 adult leisure travelers shows that Americans are taking fewer trips, while reigning in their expectations for future travel and spending. These research findings highlight the importance of travel organizations reviewing their 2008/09 plans and taking a proactive, responsive and likely more tactical approach to their marketing activities. The US travel market has changed. When compared to an identical survey taken 6 months prior, leisure travelers reported a decrease of 7.3 percent in the number

SNAPSHOT

Travelers who took a "staycation" rather than traveling in past 12 months



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Q In the past twelve (12) months, how many trips have you taken of more than 100 miles (round-trip) for purely leisure or personal reasons?

One.....	16.9%
Two.....	18.6%
Three.....	14.0%
Four to five.....	21.2%
Six to ten.....	18.8%
Eleven to twenty.....	7.9%
More than twenty.....	2.5%
Average.....	5.1

Q How many of these trips were day trips with no overnight stay?

Zero.....	40.3%
One.....	18.0%
Two.....	13.8%
Three or more.....	27.9%
Average.....	2.3

Q How many of these leisure trips were primarily by automobile?

Zero.....	11.5%
One.....	17.8%
Two.....	18.0%
Three.....	13.4%
Four.....	11.0%
Five or more.....	28.3%
Average.....	4.1

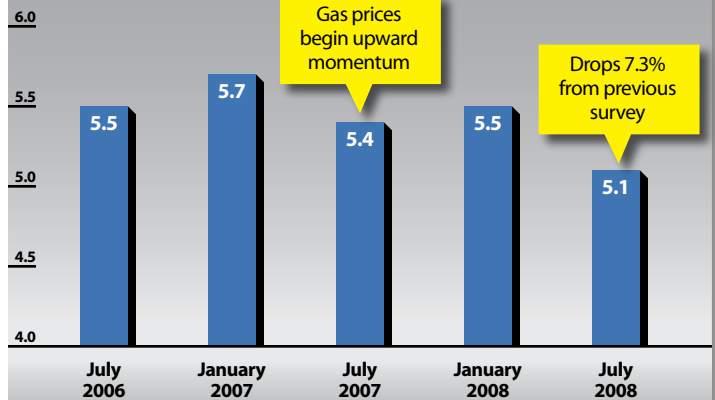
Q How many of these leisure trips included air travel?

Zero.....	57.2%
One.....	19.3%
Two.....	11.0%
Three.....	5.9%
Four or more.....	6.6%
Average.....	1.0

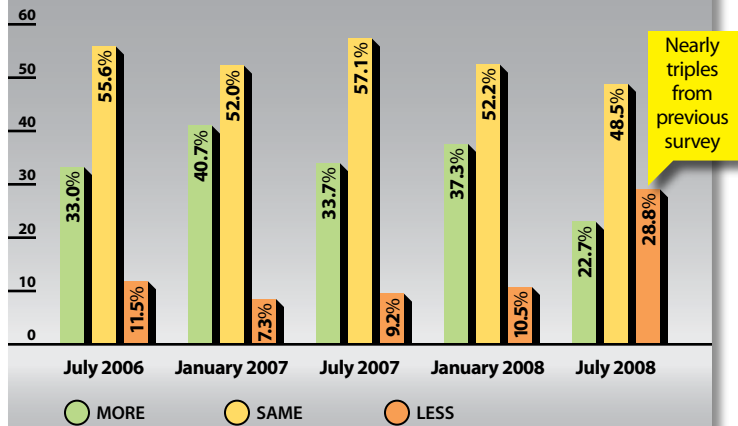
Q How many of these trips included travel outside the United States?

Zero.....	81.9%
One.....	12.7%
Two.....	3.3%
Three or more.....	2.1%
Average.....	0.3

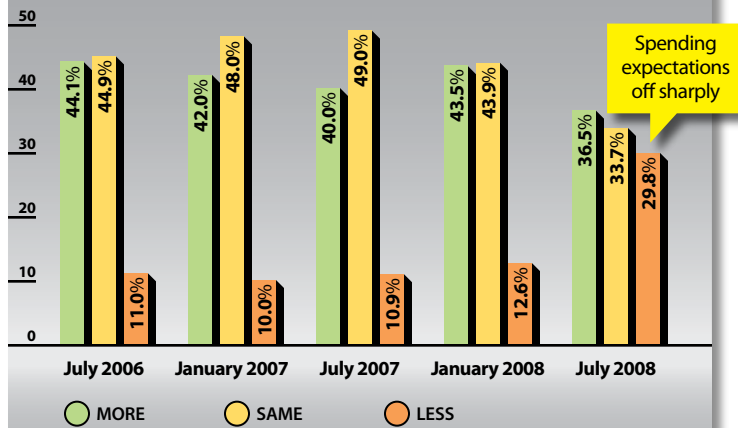
Average number of leisure trips taken (past 12 months)



In the next 12 months, do you expect to travel more or less for leisure than you did in the most recent 12 month period?



In the next 12 months, do you expect to spend more or less for leisure travel than you did in the most recent 12 month period?



Reasons for cutting back on leisure travel



	Gasoline was too expensive	Personal financial reasons	Airfare was too expensive	Safety concerns
July 2006	47.3%	42.0%	28.6%	10.1%
January 2007	40.1%	45.2%	27.9%	9.8%
July 2007	46.1%	48.5%	24.4%	7.2%
January 2008	54.2%	51.8%	31.8%	7.6%
July 2008	57.8%	49.5%	35.2%	4.0%

In the past 12 months, which (if any) of the following kept you from traveling more for leisure than you would have otherwise preferred?

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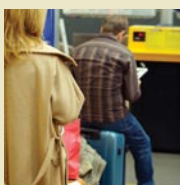
Gasoline was too expensive.....**57.8%**
 Personal financial reasons.....**49.5%**
 Airfare was too expensive.....**35.2%**
 Other personal responsibilities...**23.5%**
 I was too busy at work.....**18.7%**
 I didn't have enough vacation time.....**13.3%**
 Child care responsibilities.....**6.1%**
 Safety concerns.....**4.0%**
 Travel frequently for business and prefer-
 to stay home.....**2.1%**

Q In the past 12 months, which (if any) describe how you've changed your leisure travel in response to gasoline prices?



Taken fewer leisure trips than desired.....**47.2%**
 Shortened distance traveled on a trip (or trips) to save money..**29.9%**
 Actively looked for travel discounts or bargains.....**29.0%**
 Reduced travel spending on other items (hotel, food, entertainment, etc.).....**25.0%**
 Taken a "staycation" (a vacation spent at home) rather than traveling.....**23.6%**
 Shortened the number of days spent on a trip (or trips) to save money.....**17.5%**
 Compensated by visiting generally less expensive destinations...**14.5%**
 Cancelled an already planned trip.....**11.6%**
 None of these.....**25.9%**

Q In the past 12 months, which (if any) of these air travel related problems have you encountered?*



Excessive security line wait.....**34.0%**
 Excessively delayed flight(s).....**29.0%**
 Inappropriate use of overhead bins by passengers.....**23.6%**
 Had to throw away an item to pass through an airport security...**22.9%**
 Check-in difficulties.....**15.4%**
 Rude or unprofessional TSA Staff **13.4%**
 Lost baggage.....**12.1%**
 Rude or unprofessional airline staff.....**11.7%**
 Rude or unprofessional airport staff.....**10.8%**
 Difficulty getting to the airport...**5.4%**
 Safety concerns in the air.....**4.1%**

*Question asked only of air travelers

Hitting the Brakes?

The State of the American Traveler Survey also monitors traveler sentiment by tracking the issues people perceive as having kept them from traveling. Clearly, gasoline prices and personal financial concerns are the most important issues impeding leisure travel. None of the other factors tested compare. In our most recent survey, gasoline prices continued to be cited by a growing majority of travelers (57.8%) as a factor that kept them from traveling as much as they would have preferred.

Close behind gas prices is "personal financial reasons", which has leveled off at 49.5%, after growing for two consecutive years. The rising cost of airfare is also a growing concern, with 35.2% of respondents saying ticket prices have led them to cut back on leisure travel in the past year.

In this edition we wanted to dig deeper into how exactly Americans adapt their travel behaviors to changing economic climates.

The survey first asked respondents to identify the different ways in which they might have changed their travel specifically in response to gasoline prices. About half (47.2%) said they have actually reduced the number of leisure trips taken in the past year due to gasoline prices. Just under a third (29.9%) said they had shortened the distance traveled on a trip to save money. A similar proportion (29.0%) actively looked for travel bargains or discounts. Rising gasoline prices appear to have had a more limited impact on destination choice: only 14.5% of survey respondents said that this led them to select generally less expensive destinations to visit.

SNAPSHOT

Travelers who think the convenience of air travel has gotten worse or much worse in past 12 months

56%

Q How likely are the problems mentioned previously to make you less likely to travel by air in the future?

Very Likely.....**6.7%**
 Likely.....**13.4%**
 Not Likely or Unlikely.....**34.2%**
 Unlikely.....**16.2%**
 Very Unlikely.....**23.6%**
 I don't know.....**5.8%**

Q In the past year, is the overall convenience of domestic air travel?

Improved a lot.....**2.8%**
 Improved.....**7.2%**
 Stayed the same.....**29.5%**
 Gotten worse.....**41.0%**
 Gotten much worse.....**14.8%**
 I don't know.....**4.8%**

Q Thinking about your leisure travel in the next 12 months, which of the following are you likely to do given the overall economic climate (including gasoline prices, travel costs and your personal financial situation)?

Look for travel discounts or bargains.....**53.3%**
 Reduce the number of leisure trips I will take.....**45.8%**
 Shorten the distance of my trip(s) or reduce side trips along the way to save money.....**34.9%**
 Visit generally less expensive destinations.....**33.0%**
 Take at least one "staycation" (a vacation spent at home) rather than traveling.....**28.5%**
 Reduce the number of total days I will spend on leisure trip(s) to save money.....**25.4%**
 Cancel a trip that I've already begun to plan.....**6.9%**
 None of these.....**14.3%**

Q In the past 12 months, have you traveled for any reason by air?

Yes.....**45.6%**
 No.....**54.3%**

DESTINATION HOT LIST



What are the domestic destinations that you would most like to visit in the upcoming year?*

Las Vegas	28.9%	Denver	4.7%
Orlando/Disney World	21.7%	New Orleans	4.7%
New York City	21.5%	Myrtle Beach	4.2%
Washington DC	10.8%	Phoenix	4.2%
Chicago	10.7%	Disneyland	4.0%
Los Angeles	9.6%	Miami	4.0%
San Francisco	8.9%	Portland	3.6%
San Diego	8.2%	Philadelphia	3.6%
Seattle	7.3%	Key West	3.4%
Boston	7.0%	Dallas	3.3%
Atlanta	5.9%	Tampa	3.3%
Grand Canyon	5.3%	Houston	3.1%

What are the foreign destinations that you would most like to visit in the upcoming year?*

United Kingdom	14.4%	Japan	2.9%
Mexico	12.0%	Greece	2.7%
Canada	11.2%	Bahamas	2.4%
Italy	10.1%	Switzerland	2.0%
France	9.3%	Austria	1.7%
Australia	6.5%	Jamaica	1.5%
Ireland	6.4%	Sweden	1.5%
Germany	6.1%	New Zealand	1.3%
Spain	4.2%	Bermuda	1.2%
Russia	3.1%	Brazil	1.1%
Costa Rica	3.1%	Aruba	1.0%
China - Hong Kong	3.0%	Egypt	0.9%

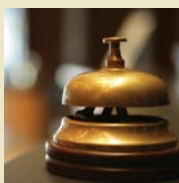
*An open-ended question, respondents were asked to consider only destinations they could reasonably expect to visit in the next 12 months.

In the past 12 months, which of these activities did you participate in (at least once) while on leisure trips (of 50 miles or more one-way)?



Dine in restaurants	72.7%	Attend a family reunion	18.9%	Bird watching	7.1%
Visit friends or relatives	64.7%	Take a guided tour	17.4%	Take a day cruise	6.4%
Shopping	60.7%	Fishing	17.0%	Spa or hot spring	5.3%
Go to a beach or lake	47.7%	Camping	16.7%	Astronomy or stargazing	5.1%
Sightseeing in cities	42.1%	Nightclubbing	16.5%	ATV or off road vehicles	4.6%
Visit an historical attraction	40.3%	Attend a sporting event	16.1%	Horseback riding	4.6%
Visit small towns/villages	39.0%	Day hiking	16.1%	Canoeing or kayaking	3.8%
Sightseeing in rural areas	35.3%	Foliage or fall scenery watching	15.4%	Hunting	3.8%
Casinos/Gambling	29.6%	Visited a winery	14.7%	White water rafting	2.4%
Visit a state or local park	29.1%	Visit a National Forest	12.6%	Hiking trip (1 night + on trail)	2.2%
Visit a theme/amusement park	25.8%	Sailing or other water sports	10.7%	Tennis	2.1%
Drive a designated scenic byway	24.1%	Visit ethnic heritage sites	9.8%	Skiing or snowboarding	2.1%
Art galleries or museum	21.8%	Golf	8.9%	Mountain biking	1.7%
Visit National Parks	21.2%	Visit ecological sites	8.0%	Rock climbing	1.4%
Attend concert, play or musical	20.4%	Stay in an all-inclusive resort	7.9%	Mountaineering	0.7%
				Ranch vacation	0.5%

Q In the past 12 months, in which of the following have you stayed while on leisure trips (of 50 miles or more one-way)?



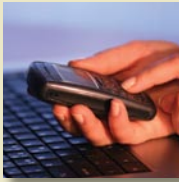
Friend's or relative's home	47.1%
Mid-priced/Extended stay hotel	32.2%
Economy hotel	30.5%
Full service hotel	24.6%
Budget hotel or motel	21.0%
Time share property	8.7%
Vacation home (rental)	7.0%
Cruise ship	6.5%
Bed & breakfast inn	6.4%
RV, motor home or camper	5.3%
Public campground (tent camping)	4.6%
Luxury hotel	4.4%
Private campground (tent camping)	3.6%
Spa resort	2.9%
Apartment (rental)	2.0%
Private campground (cabin or yurt)	1.9%
Wilderness lodge	1.8%
Public campground (cabin or yurt)	1.1%
Houseboat	0.5%

Gas Prices *continued from page 1*

of trips they have taken in the past year. Meanwhile the percent expecting to decrease the number of trips they will take and their spending on these trips both rose dramatically. In total, 28.8% of leisure travelers now say they will travel less frequently in the upcoming year, nearly triple the 10.5% figure seen last January. Almost a third of travelers (29.8%) are planning to decrease their travel spending in the next year, up from 12.6% just six months ago.

These sobering statistics are likely to be counter-balanced, however, by exchange rate driven growth in international arrivals and more domestic travel closer to home. While recent increases in foreign travel to America are well-documented and much talked about, our survey for the first time shows that nearly one quarter of domestic leisure travelers (23.6%) have taken a so-called "staycation" (a vacation taken at home) in the past year. While one data point does not a trend make, we believe it does highlight the opportunity and potential for destinations to market themselves closer to home. In fact, the survey shows that Americans are planning to use a number of ways to respond to the current economic pressures, including actively looking for travel discounts and bargains (53.3%), shortening the distance of their trips (34.9%) and reducing the number of days spent on trips to save money (25.4%).

Q In the past 12 months, which of these travel planning tasks have you completed online or decided based on information found online?



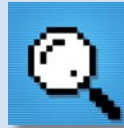
Selected a hotel or place or stay	46.5%
Booked a hotel (or lodging)	43.2%
Decided to visit a particular destination	39.7%
Purchased airline tickets	37.0%
Selected attractions or things to see and do	34.4%
Selected an airline	33.2%
Read about local culture, arts, heritage or events	31.8%
Decided how long I would stay at a destination	25.1%
Booked a rental car	22.4%
Selected a place to eat in a destination	21.5%
Selected a car rental company	21.3%

Q In the past 12 months, have you used the website of a local Visitors or Convention Bureau (or Chamber of Commerce) to help plan any travel?

Yes	27.5%
No	70.7%
I don't know	1.8%

Q In the past 12 months, have you used the website of a state government travel office to help plan any travel?

Yes	19.1%
No	78.4%
I don't know	2.6%



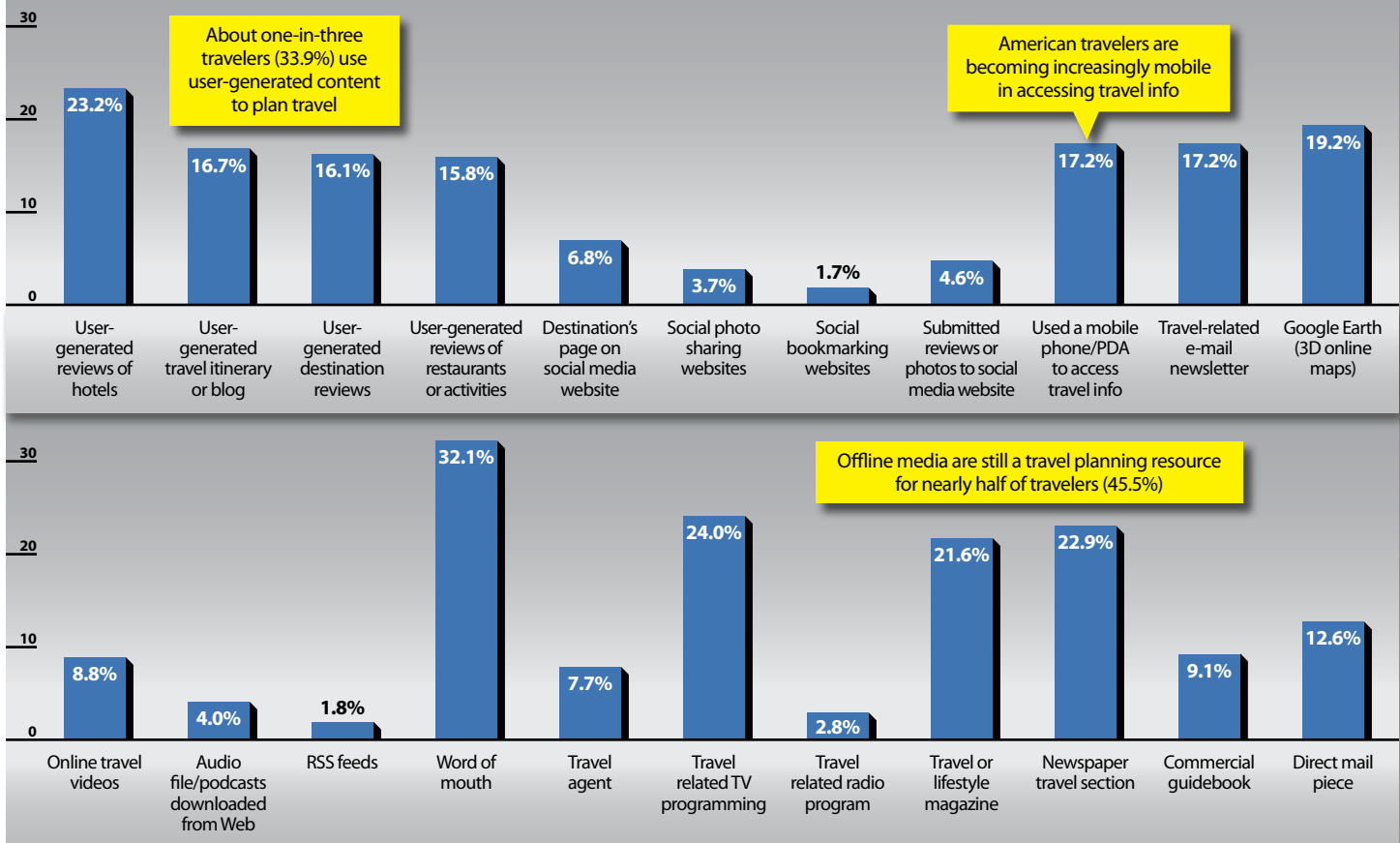
Travel & Technology

Our survey vividly illustrates the importance to destination marketers of a compelling web presence that can be found by potential visitors. Travelers not only use Internet content for researching and buying travel product, but to select their actual travel destinations. Fully 39.7% of respondents said that in the past 12 months they had decided to visit a particular destination based on information found online. Additionally, one in four (25.1%) said that they had decided how long to stay in a particular destination based on information found online.

Meanwhile, destination marketing organizations' penetration into the set of websites used in travel planning is moderate. In the past 12 months, less than a third (27.5%) of leisure travelers used the website of a local convention & visitors bureau (or chamber) to help plan a trip. Even fewer respondents (19.1%) report using the website of an official state travel office.

As has been noted in previous editions of the study, advanced Internet technologies (such as Web 2.0 applications) are under utilized in the travel realm. Many such resources that are extremely popular in general Internet use have yet to find traction in travel planning. For example, online travel videos were used by only 8.8% of survey respondents to help plan a leisure trip in the past year. User-generated reviews of restaurants or activities were used in travel planning by only 15.8% of travelers. Surprisingly, however, almost one in five respondents (17.2%) said they have used a mobile phone/PDA to access travel information in the past 12 months.

In the past 12 months, which of these resources or Internet technologies have you used to specifically help plan your leisure travel?



Methodology The State of The American Traveler Survey is conducted every six months by Destination Analysts, Inc, a San Francisco-based tourism industry research company. The survey was conducted online amongst a nationally representative sample of adult Americans. From June 27th to 30th, surveys were collected from a group of respondents who were then screened by their leisure travel behavior. Only those respondents who had traveled at least once in the past 12 months for purely leisure or personal reasons were interviewed. This travel must have been of at least 50 miles one-way—the standard distance threshold used in the tourism industry to signify that a “trip” has been taken. In total, 1,014 leisure travelers completed the survey. With this sample size, the topline data presented here can be considered to have a reliability of +/- 3.1%.



Destination Analysts

Speaking Topics

Destination Analysts challenges convention, bringing entertainment and education together in its speeches and educational sessions. Our trained presenters are appreciated for their engaging, accessible, audience-focused style, and can be booked for both key notes presentations and customized educational sessions and workshops. Several of our most popular speaking topics are described below.

Please contact us at 415 307-3283 for more information or to book an engagement.

The State of the American Traveler

Suggested Keynote

Go inside the mind of the American leisure traveler, with this entertaining, customized keynote. The American leisure travel market is rapidly evolving. The Internet, Web 2.0, safety concerns, gasoline prices, and changing product offerings have all collided in recent years to create a new and ever-shifting travel landscape. Using data collected in its bi-annual survey of leisure travelers, Destination Analysts will make sense of these changes and help your group move forward with confidence.

Measure, Monitor, Then Manage: The Essentials of Web Analytics and Online Research

Unless you are measuring you can't manage. This information rich session will provide an overview of the tools, methods and options in measuring and researching your online customers. Your websites and e-mail marketing programs should be providing critical information that your DMO managers can access, interpret and use. Cutting through the technology jargon, this session will teach you the why, how and what to do next. We will explain online research options and discuss how DMOs can use these techniques to gain the clarity and direction needed to effectively develop, manage and track the results of their Web sites and electronic promotions.

Research-Based Web Design: Making Your Website Meet Your Users Needs

If you're like most destinations, your website is now your most important marketing tool. Internet users are primarily task-oriented and will quickly leave a website that fails to immediately address their needs. Have you studied your website visitor to find out what they really want from your website? Do you know what will keep them on your website and create true stickiness? In this informative session, we will show you how to find out what your visitors want and shape your website to fit their needs. A tutorial on website usability testing will end this exciting and interactive session.

Food, Wine & Travel: A Perfect Pairing

Suggested Keynote

Culinary tourism is often portrayed as the latest "trend" in destination marketing, but is really one of the oldest and potentially most lucrative leisure travel niche market. In this revealing session we give you an inside look at so-called "foodie" travelers or culinary tourists. How are they psychographically different from other travelers and how can your destination tap this affluent, high-spending market?

Accountability Research 101: Measuring the Value of Your Marketing Programs

Destination marketers are under increasing pressure to show the return on investment of their sales and marketing activities to their communities. In this fast-paced and content rich session, you will learn the basics of how to measure the economic impact of your programs. Case studies and how-to examples will be presented on websites, visitor guides, tourism magazines and e-mail campaigns. You'll also get tips for effectively communicating to stakeholders and the media the value your works bring to your destination.

Guerilla Research: A Beginners Guide to Conducting Affordable and Effective Market Research

Smaller destinations face the same pressure to make hard decisions and justify their expenditures as large one. Yet, to these many small destinations market research is perceived as expensive and out of reach. In this one-hour session, you will learn the basics of conducting reliable and cost-effective research in-house. The session will leave you with a treasure trove of ideas for research with the highest impact to your organization and new ideas for minimizing and sharing research costs.



Research Products for DMOs

Destination Analysts has developed numerous ready-to-implement research solutions specifically for destination marketing organizations. While each solution is well-tested, every study is customized for your individual DMO's needs.

Website Usability Testing

Usability research gathers rich feedback on website user behavior to develop a deep understanding of the "whys" behind your web analytics. A particularly critical step in website redesign/re-launch, this study gauges users' emotional response, tests users' understanding of finding the information they seek, and identifies key areas of improvement.

Return on Investment Studies

The ability to quantify the return to your community of your organization's marketing efforts lends enormous power to clarifying strategy, and justifying funding maintenance or expansion. Destination Analysts can conduct conversion research on your website, visitors guide, advertising programs, events and other promotions, even convention/meetings sales and marketing efforts.

Economic Impact Analysis

With the political uncertainty faced by DMOs, having reliable data on the financial return the tourism industry brings to the community is crucial. Destination Analysts economists can provide a customized, comprehensive study of the economic impact of tourism, which includes all related facets—from visitor volume to jobs supported—and provides important benchmarking for the future.

Brand Audits & Branding Research

An imperative first step for both short and long term marketing strategy planning, a brand audit develops a clear picture of the essential elements that comprise your destination's brand and its core values. Branding research can also help measure your brand against its competitive set, and identify your destination's most lucrative target markets to develop specific selling points for each.

Meeting Planner Studies, Meetings Market Research & Competitive Analysis

A variety of research can be implemented to increase meetings business including studying meeting planners' motivations in the destination decision; identifying competition and providing comparison metrics on key attributes that meeting planners seek in a meetings destination; and quantifying the economic impact to the local economy.

Advertising Effectiveness & Tracking Studies and Advertising Concept Testing

To understand the full value of your advertising program, this study will measure ad recall and brand recognition and, most importantly, demonstrate how the advertising affected visitor behavior. Advertising concept testing can also be introduced to understand how ad creative fares with your target audience before costly media investment.

Traditional Focus Group Research & Online In-Depth Interviews

Qualitative research provides the color and depth of understanding to our informational pursuits. Whether you need potential visitors' responses to new marketing messaging or meeting planners opinions on your new online meetings tools, our seasoned facilitators can help seek out the valuable feedback you need.