

THE STATE OF THE AMERICAN TRAVELER



DESTINATION ANALYSTS

Americans are gearing up to travel, but are approaching the new year with relatively conservative travel spending expectations. Our national survey of leisure travelers shows that while reduced prices at the pump are encouraging more trips by car, last summer's tightened airport security measures are still frustrating travelers and constraining air travel.

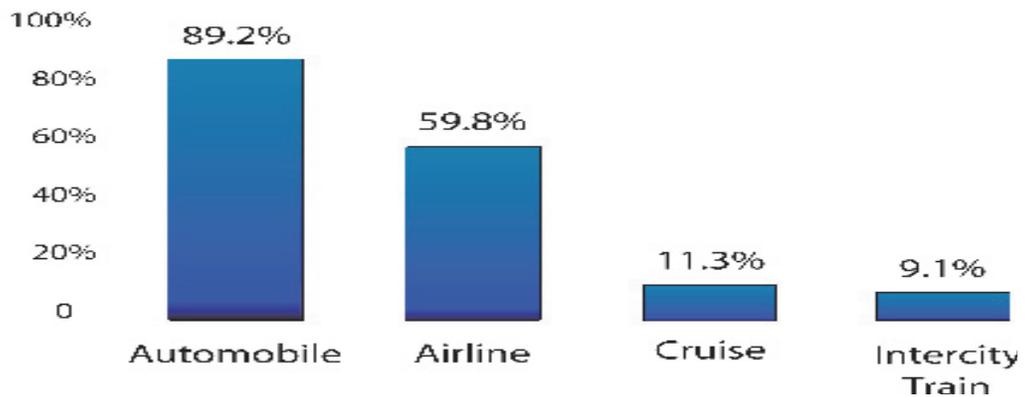
The outlook for domestic leisure travel remains strongly positive.

According to our survey of 1,022 Americans, the typical leisure traveler is planning to increase the number of leisure trips they will take in the next 12 months. The survey found that the average adult took 5.7 leisure trips in the past year. Approximately 41% of these travelers expect to take more leisure trips in the upcoming year, while only 7.3% expect to travel less. By comparison, when the same survey was conducted in July 2006, only 33% of Americans expected to take more leisure trips in the upcoming year.

Spending on leisure travel is also likely to remain strong and stable. In fact, 42.0% of Americans say they expected to spend more on their leisure travel in the upcoming year, compared to the year immediately past. This figure decreased only slightly in our current survey, from 44.1% in July.

(Continued on Page 3)

1. What methods have you used to travel in the past 12 months?



2. 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: 12.5%
 Two: 22.1%
 Three: 12.7%
 Four to five: 22.9%
 Six to ten: 19.3%
 Eleven to twenty: 7.4%
 More than twenty: 4.3%
 Average: 5.7 trips

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

Zero: 44.9%
 One: 16.9%
 Two: 15.5%
 Three or more: 22.7%
 Average: 2.3 trips

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

Zero: 74.8%
 One: 16.1%
 Two: 6.0%
 Three or more: 3.1%
 Average: 0.5 trips

5. In the past twelve (12) months, how many trips have you taken of more than 100 miles (round trip) for business reasons or to attend a convention/group meeting?

Zero: 51.1%
 One: 14.5%
 Two: 13.8%
 Three or more: 20.6%
 Average: 2.7 trips

6. 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?

Travel more: 40.7%
 About the same: 52.0%
 Travel less: 7.3%

7. 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?

Spend more: 42%
 About the same: 48%
 Spend less: 10%

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

Personal financial reasons: 45.2%
 Gasoline was too expensive: 40.1%
 I was too busy at work: 32.4%
 Airfare was too expensive: 27.9%
 Other personal responsibilities: 27.1%
 Too little vacation time: 22.2%
 Child care responsibilities: 10.9%
 Safety concerns: 9.8%
 Travels frequently for business and prefers to stay home: 2.6%

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

Yes: 58.1%
 No: 41.9%

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

Excessive security line wait: 39.4%
 Excessively delayed flight(s): 27.1%
 Check-in difficulties: 22.2%
 Inappropriate use of overhead bins by passengers: 20.0%
 Rude/unprofessional airport staff: 13.1%
 Rude/unprofessional airline staff: 12.5%
 Rude/unprofessional Transportation Security Administration Staff: 12.0%
 Lost baggage: 9.4%
 Difficulty getting to the airport: 7.2%
 Safety concerns in the air: 4.2%

11. How likely are the problems mentioned above to make you less likely to travel by air in the future?

Very Likely: 5.6%
 Likely: 10.1%
 Not Likely or Unlikely: 29.6%
 Unlikely: 16.2%
 Very Unlikely: 34.2%
 I don't know: 4.4%

Reasons for cutting back on leisure travel

	Gasoline was too expensive	Personal Financial Reasons	Airfare Too Expensive	Safety Concerns
July 2006	47.3%	42.0%	28.6%	10.1%
January 2007	40.1%	45.2%	27.9%	9.8%

The chart above shows the percent of American leisure travelers who say the issue led them to travel less than they would have otherwise preferred in the past 12 months.

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

Improved a lot: 3.4%
 Improved: 17.9%
 Stayed the same: 35.4%
 Gotten worse: 31.9%
 Gotten much worse: 7.4%
 I don't know: 4.0%

13. At most, how many miles (one-way) would you typically be willing to travel for a weekend get away trip?

Under 100 miles: 8.9%
 100 To 250 miles: 55.3%
 251 To 500 miles: 24.2%
 500 To 1000 miles: 5.6%
 Over 1000 miles: 3.9%
 Average: 321 miles

16. In the past 12 months, did you take any leisure trips (of 50 miles or more one-way) specifically to do any of the following?

Dine in a specific restaurant or restaurants: 26.0%
 Visit a destination because it has good restaurants: 16.9%
 Attend a food-related event or festival: 13.8%
 Visit a destination because of its regional cuisine: 11.7%
 Attend a wine-related event or festival: 8.1%
 Visit a specific wine country region: 7.3%

14. In the past 12 months, did you take any leisure trips (of 50 miles or more one-way) where shopping was an important reasons for making the trip?

Yes: 25.8%
 No: 74.2%
 Average number of trips: 4.1

15. In general, how important is shopping to destinations you choose to visit on leisure trips? (Select one)

Very Important 6.6%
 Important 19.7%
 Of Little Importance 41.0%
 Not At All Important 29.5%

About the State of the American Traveler Report:

This summary report on the findings of the survey of the American leisure traveler is provided as a free service to our friends and clients. Join our twice annual national survey of 1,000 traveling adults, and find out where your destination, company or attraction stands in their eyes. Our State of the American Traveler Survey is conducted in January and July of each year. Space is limited, so sign up for the next survey now. Partners get the complete study, and a set of custom cross tabulations. Custom research solutions are also available. Contact us for more details: www.destinationanalysts.com or (415) 307-3283.

TRAVEL TRENDS

Some interesting facts found in the survey

Among air travelers, 39.3% say that the overall convenience of domestic air travel has gotten "worse" or "much worse" in the past year, up from only 26.8% last July. This is troubling as 15.7% of air travelers say that in the past year they have experienced issues in airports will make them less likely to travel by air in the future.

Good budgeting and leisure travel do not necessarily go hand-in-hand. Over 62% of leisure travelers say that they have spent more than they expected to on a leisure trip during the last 12 months.

Almost 32% say that they have taken a laptop computer with them on a leisure trip during the past year. Approximately one-in-five (20.4%) say they have used a PDA or handheld device to access travel information.

Travel is indeed a social activity for Americans. Over 68% of travelers visited friends or relatives and 30% say they made new friends while on leisure trips in the past year. Interestingly, 11.4% of respondents told us that they had traveled at least once in the past year specifically to spend time away from someone.

Food and travel are still inseparable; and for many, regional cuisines are an important part of a successful vacation. About 45% of leisure travelers say that regional cuisines are "important" or "very important" to the destinations they choose to visit.

DESTINATION HOT LIST

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

Las Vegas: 33.7%
 New York City: 27.4%
 Orlando/Disney World: 22.2%
 Los Angeles: 13.4%
 San Francisco: 13.3%
 Washington DC: 12.3%
 Chicago: 11.9%
 Seattle: 8.5%
 Boston: 7.1%
 San Diego: 6.9%
 Atlanta: 6.5%
 Denver: 6.1%
 Miami: 5.6%
 Phoenix: 5.4%
 Grand Canyon: 4.9%
 New Orleans: 4.6%
 Houston: 4.3%
 Disneyland: 3.9%
 Tampa: 3.9%
 Myrtle Beach: 3.8%
 Dallas: 3.7%

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

United Kingdom: 19.7%
 Italy: 16.4%
 Canada: 16.3%
 France: 16.2%
 Mexico: 16.2%
 Germany: 10.8%
 Australia: 10.3%
 Ireland: 8.1%
 Spain: 6.4%
 Japan: 5.2%
 Greece: 5.2%
 Bahamas: 4.9%
 Switzerland: 3.5%
 Jamaica: 3.1%
 China - Hong Kong: 3.0%
 Brazil: 2.7%
 New Zealand: 2.4%
 Israel: 2.1%
 Thailand: 1.9%
 Russia: 1.7%
 Costa Rica: 1.7%

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

17. Which of the following statements accurately describe you?

When traveling, I am interested in regional cuisines: 40.0%
 I would travel and stay overnight away from home to go to a specific restaurant: 12.1%
 In the past 12 months, before leaving home on a leisure trip, I have made reservations for a restaurant in that destination: 10.1%
 I would travel more than 100 miles (one-way) to go to a specific restaurant: 8.0%
 I would travel more than 200 miles (one-way) to go to a specific restaurant: 4.6%

18. 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: 72.3%	Go to a beach or lake: 54.4%
Visit friends or relatives: 68.6%	Visit small towns/villages: 46.1%
Shopping: 56.7%	Visit a state or local park: 34.0%
Sightseeing in cities: 54.7%	Visit National Parks: 28.6%
Visit an historical place: 51.1%	Foliage/fall scenery watching: 24.3%
Sightseeing in rural areas: 42.2%	Day hiking: 23.1%
Casinos/Gambling: 38.3%	Fishing: 19.0%
Visit theme/amusement park: 31.6%	Camping: 18.9%
Art galleries or museum: 29.9%	Visit a National Forest: 17.2%
Attend concert/play/musical: 29.8%	Visit ecological sites: 12.6%
Attend a family reunion: 24.1%	Astronomy or stargazing: 10.1%
Take a guided tour: 24.0%	Bird watching: 8.4%
Nightclubbing: 20.6%	Horseback riding: 7.4%
Attend a sporting event: 20.5%	Canoeing or kayaking: 5.9%
Visited a winery: 19.1%	Skiing or snowboarding: 5.2%
Visit ethnic heritage sites: 18.0%	ATV or off road vehicles: 4.9%
Stay at all-inclusive resort: 14.9%	Hunting: 4.6%
Spa or hot spring: 14.5%	Hiking trip (1 or more nights on trail): 3.1%
Sailing or other water sports: 13.4%	Rock climbing: 3.0%
Take a day cruise: 10.0%	White water rafting: 2.9%
Golf: 8.6%	Mountain biking: 2.5%
Tennis: 5.2%	Ranch vacation: 2.5%
	Mountaineering: 2.1%

19. In the past 12 months, which of the following have you done while on leisure trips (of 50 miles or more one way)?

Spent more money than expected: 62.5%	Extended vacation because I was having so much fun: 11.0%
Something new and exciting: 33.3%	Did something risky/dangerous: 10.9%
Taken a laptop computer with me when I traveled for leisure: 31.7%	Brought my pet(s) with me: 10.5%
Made a new friend(s): 29.6%	Took a class/educational seminar: 8.2%
Traveled specifically to get away from my work: 27.8%	Traveled in an organized group tour: 8.0%
Ordered room service in a hotel: 26.0%	Went to an adult cabaret or strip club: 6.2%
Attended religious services: 19.8%	Came home early due to boredom: 4.5%
Purchased a travel package: 14.4%	Traveled to meet (for the first time) someone I was introduced to online: 4.0%
Used the mini bar in a hotel: 12.8%	Met a new romantic partner: 3.9%
Brought meal on an airline: 12.7%	
Took my work on vacation: 11.9%	
Traveled specifically to spend time away from someone: 11.4%	

(Continued from Page 1)

While enthusiasm for travel remains strong, and Americans are planning to travel, it is clear that travelers have yet to fully adapt to increased transportation prices and inconveniences related to air travel. Between the last two surveys, concern about gasoline prices has abated slightly, but still is a threat to the industry. In January, over 40.1% of leisure travelers said that high gasoline prices had led them to travel less in the past year than they would have preferred. While this figure is down from 47.3% in July, it is still significant.

While the automobile remains the most common mode of travel, an airline was used at least once by over half (59.6%) of leisure travelers in the past year. About 28% of leisure travelers say the high price of airfare has caused them to curtail their travels in the past 12 months. Over 15% say that problems they have experienced with air travel will make them less likely to travel by air in the future.

Our July 2006 survey was taken just prior to last summer's increased air security resulting from the foiled plot to blow up transatlantic jets. In January 2007, 39.4% of travelers said that they had experienced excessive security line waits—up from 30.6% in July—and 22.2% said they had experienced check-in difficulties, up from 14.3% in July. Fully 15% of respondents said they had experienced having to throw away at least one item in order to pass through an airport security checkpoint.

THE WEB SAVVY TRAVELER

Our survey explored how Americans use the Internet to make travel decisions. It is clear that the Internet has moved well beyond being a tool for booking flights and hotel rooms. Travelers use it extensively to help with the complete range of decisions involved in trip planning. Over 41% say that they have used the Internet to select the activities and attractions they will see and do on a trip. Almost 40% have used the Internet to select a specific destination to visit. In fact, about one-in-three say that they have used the Internet to decide how long they would stay in a destination.

Web 2.0 is coming of age in the travel realm. About a third of leisure travelers (31.0%) say that in the past year they have used reviews of hotels posted by their fellow travelers to plan their trips. About a quarter (25.9%) say that they have read user generated travel reviews of destinations. However, some newer technologies appear to be just gaining a foothold. Specifically, in the past year 13.1% of leisure travelers have used online video to help plan a trip, 6.8% have used audio files such as podcasts and 3.0% have used RSS feeds.

20. In the past 12 months, have you traveled (50-miles or more one-way) specifically to attend any local, regional or national amateur sporting event?

Yes: 13.5%
No: 86.5%

21. In the past 12 months, which of the following sports activities have you attended while on a leisure trip (of 50 miles or more one-way)?

- Major League Baseball game: 11.4%
- College football: 9.3%
- National Football League game: 8.8%
- NASCAR race: 7.5%
- Minor league baseball game: 5.0%
- Horse racing: 4.9%
- National Hockey League game: 3.9%
- College basketball game: 3.9%
- National Basketball Assoc. game: 3.6%
- Other auto race: 3.5%
- Professional golf tournament: 2.5%
- Other college sporting event: 2.3%
- Professional tennis match: 2.3%
- Professional rodeo event: 2.2%
- Ultimate Fighting Championship event: 1.9%
- Professional boxing match: 1.9%
- Major League Soccer game: 1.8%

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

- Mid-priced/Extended stay hotel: 46.4%
- Economy hotel: 38.8%
- Full service hotel: 38.5%
- Budget hotel or motel: 23.6%
- Luxury hotel: 14.8%
- Bed & Breakfast inn: 14.5%
- Time share property: 11.9%
- Cruise ship: 10.3%
- Public campground: 8.1%
- Spa resort: 7.5%
- RV, motor home or camper: 6.1%
- Private campground (tent): 5.7%
- Private campground (cabin/yurt): 3.9%
- Wilderness lodge: 3.7%
- Public campground (cabin/yurt): 2.9%
- Houseboat: 1.8%

23. In the past 12 months, have you used the website of a local Visitors or Convention Bureau to help plan any travel?

Yes: 37.0%
No: 59.2%
I don't know: 3.8%

24. In the past 12 months, have you used a handheld device for travel information:

Yes: 20.4%
No: 79.6%

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

Yes: 28.8%
No: 67.0%
I don't know: 4.2%

26. 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/place of stay: 53.3%
- Booked a hotel (or lodging): 52.6%
- Purchased airline tickets: 45.6%
- Selected an airline: 42.8%
- Selected attractions or things to see and do in a destination I was planning to visit: 41.4%
- Read about local culture, arts, heritage or events of a destination: 39.6%
- Decided to visit a particular destination: 38.2%
- Booked a rental car: 30.6%
- Selected car rental company: 27.8%
- Decided how long I would stay at a destination: 27.4%
- Selected a restaurant in a destination I was planning to visit: 24.5%

27. In the past 12 months, which of these Internet technologies or services have you used to plan a leisure trip?

- User-generated travel reviews of hotels from other travelers: 31.0%
- User-generated travel reviews of destinations from other travelers: 25.9%
- Travel-related e-mail newsletter: 24.8%
- Travel itinerary, blog or journal posted by another traveler: 24.3%
- User-generated travel reviews of restaurants or travel activities: 20.8%
- Online video including visiting video sharing websites (e.g., Youtube.com, AOL Video or Google Video): 13.1%
- Submitted reviews, comments, photos or an itinerary of your own to one of these types of sites: 7.9%
- Audio file(s) downloaded from the Web (including podcasts): 6.8%
- Social photo sharing websites: 5.5%
- RSS feeds: 3.0%
- Social bookmarking websites: 2.3%

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 January 8th to 15th, 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, 1,022 leisure travelers completed the survey. With this sample size, the topline data presented here can be considered to have a reliability of +/- 3.1%.