THE STATE OF THE AMERICAN TRAVELER

DESTINATION ANALYSTS

As economic uncertainty and financial anxiety continue to grow, the near-term outlook for domestic leisure travel appears to have dampened. Although our January 2008 survey of 1,000 American leisure travelers shows only moderately restrained expectations for future travel volume and spending, Americans' increased perception of high gasoline prices and personal financial concerns as constraints to leisure travel is a source of serious concern as we move into the new year.

Americans' plans for future leisure travel rebounded slightly in our most recent survey of traveler sentiment. In the survey, the percent of Americans saying they will increase their leisure travel in the upcoming year grew slightly to 37.3 percent, up from 33.7 percent reported in June 2007. Still, this figure is below the 40.7 percent figure found one year ago, in January 2007.

When queried on their expectations for future travel spending, a similarly positive rebound was found in our most recent survey, which showed 43.5 percent of American leisure travelers expecting to increase their travel spending this year. Over the previous 18 months, expectations of future travel spending had steadily declined. In July 2006, 44.1 percent of domestic leisure travelers planned increases in their travel spending. This figure had dropped to 42.0 percent in January 2007 and further declined to 40.0 percent last summer.

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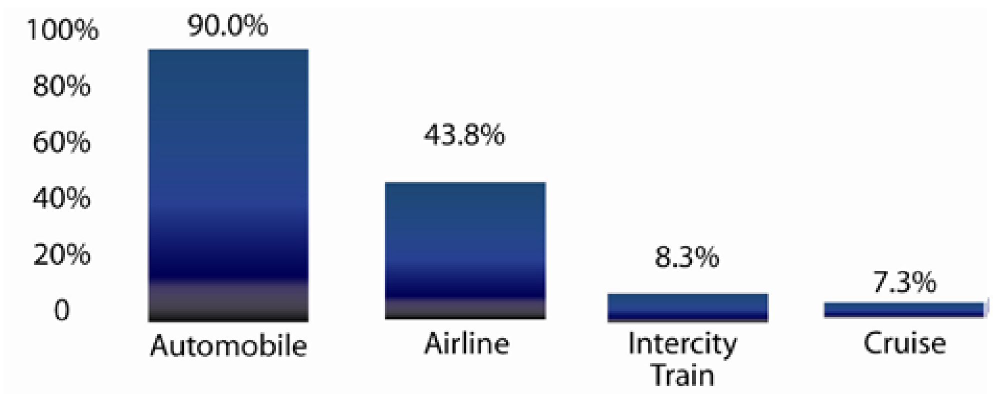
1. What methods have you used to travel in the past 12 months?



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: 17.2%
Two: 20.3%
Three: 14.6%
Four to five: 18.2%
Six to ten: 18.7%
Eleven to twenty: 7.6%
More than 20: 4.1%
Average: 5.5 trips

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

Zero: 43.1%
One: 17.5%
Two: 12.4%
Three or more: 27.0%
Average: 2.6 trips

4. How many of these leisure trips were primarily by automobile?

Zero: 10.0%
One: 23.0%
Two: 17.2%
Three: 12.6%
Four: 8.6%
Five or more: 28.7%
Average: 4.4

5. How many of these leisure trips included air travel?

Zero: 56.2%
One: 21.5%
Two: 12.9%
Three: 3.1%
Four or more: 6.4%
Average: 1.0

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

Zero: 80.3%
One: 13.8%
Two: 3.5%
Three or more: 2.4%
Average: 0.3

7. 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: 37.3%
About the same: 52.2%
Travel less: 10.5%

8. 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: 43.5%
About the same: 43.9%
Spend less: 12.6%

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

Gasoline was too expensive: 54.2%
Personal financial reasons: 51.8%
Airfare was too expensive: 31.8%
I was too busy at work: 26.2%
Other personal responsibilities: 25.0%
Too little vacation time: 17.8%
Child care responsibilities: 10.8%
Safety concerns: 7.6%
Travels frequently for business and prefers to stay home: 2.5%

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

Yes: 48.6%
No: 51.4%

11. 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): 33.5%
Had to throw away item to pass through security: 25.1%
Inappropriate use of overhead bins by passengers: 21.1%
Check-in difficulties: 21.6%
Lost baggage: 13.1%
Rude/unprofessional Transportation Security Administration Staff: 13.6%
Rude/unprofessional airline staff: 10.7%
Rude/unprofessional airport staff: 11.5%
Difficulty getting to the airport: 7.0%
Safety concerns in the air: 4.1%

Reasons for cutting back on leisure travel

	Gasoline 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%
July 2007	46.1%	48.5%	24.4%	7.2%
January 2008	54.2%	51.8%	31.8%	7.6%

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

Very Likely: 7.0%
Likely: 9.9%
Not Likely nor Unlikely: 34.9%
Unlikely: 15.8%
Very Unlikely: 27.7%
I don't know: 4.7%

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

Improved a lot: 3.3%
Improved: 20.9%
Stayed the same: 37.2%
Gotten worse: 24.2%
Gotten much worse: 8.6%
I don't know: 5.7%

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

Under 100 miles: 8.1%
100 to 250 miles: 56.1%
251 to 500 miles: 26.3%
500 to 1000 miles: 4.9%
Over 1000 miles: 4.4%
Average: 342 miles

15. 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: 27.1%
Attend a food-related event or festival: 14.7%
Visit a destination because it has good restaurants: 13.8%
Visit a destination because of its regional cuisine: 9.3%
Attend a wine-related event or festival: 6.8%
Visit a specific wine country region: 6.2%
Visit a specific winery: 4.6%

16. At any point in the past 12 months, did you decide not to purchase wine while in a winery due to difficulties/ restrictions expected at airport security?*

Yes: 22.1%
No: 77.9%

(*Asked only of those visiting wineries)

VENTURING ABROAD

The vast majority of American leisure travel is domestic, and our survey results show a downward trend in visitation abroad. Two years ago, about one-fourth (26.7%) of all leisure travelers said they had taken at least one trip abroad in the previous year. In our most recent survey, just over 19.7 percent of all leisure travelers reported such travel. This winter, our survey explored travelers' reasons for staying close to home. A recap of key findings follows:

Relatively few Americans say they prefer international trips to domestic travel. When asked what they generally find more interesting, the majority said they had no preference. Over 58 percent said they "have no preference, both foreign and domestic destinations are of equal interest." About one quarter (24.2%) indicated that they typically find domestic destinations of more interest than international destinations. Only 17 percent said they generally have more interest in international destinations.

Respondents who had not traveled abroad in the past year were asked to consider a list of reasons for not traveling internationally and indicate which described their behavior. The most commonly selected answers were "personal financial reasons" (37.7%) and "traveling outside the United States is too expensive" (29.8%).

While personal financial concerns and travel expenses are top of mind considerations, the weak dollar appears to have escaped blame in most travelers' minds. Only 10.3 percent of respondents said "exchange rates have made traveling outside the United States too expensive" as a reason for staying domestic in their leisure travels.

Safety concerns were selected by only 19.5 percent respondents who did not travel abroad.

DESTINATION HOT LIST

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

Las Vegas: 29.8%
New York City: 27.1%
Orlando/Disney World: 27.0%
Washington DC: 13.3%
San Francisco: 12.6%
Los Angeles: 11.9%
Grand Canyon : 10.3%
Chicago: 9.8%
San Diego: 9.1%
Seattle: 8.4%
Boston: 7.5%
Yellowstone: 6.6%
Anaheim/Disneyland: 5.4%
Dallas: 5.1%
Denver: 5.0%
Atlanta 4.7%
Miami: 4.7%
New Orleans: 4.6%
Phoenix: 4.5%
Branson: 3.9%
Philadelphia: 3.4%
San Antonio: 3.0%
Atlantic City: 3.0%
Myrtle Beach: 2.4%

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

United Kingdom: 21.2%
Italy: 18.6%
Canada: 17.3%
France: 17.1%
Mexico: 15.6%
Germany: 11.0%
Ireland: 10.1%
Australia: 9.1%
Spain: 9.0%
Japan: 5.5%
Greece: 4.7%
Bahamas: 4.6%
Jamaica: 4.0%
Russia: 3.7%
Costa Rica: 3.7%
Brazil: 2.8%
New Zealand: 2.5%
Switzerland: 2.3%
Aruba: 2.2%
Austria: 1.9%
Egypt: 1.4%
Sweden: 1.3%
Thailand: 1.2%

**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: 38.6%

I would travel and stay overnight away from home to go to a specific restaurant: 10.1%

I would travel more than 100 miles (one-way) to go to a specific restaurant: 9.4%

I would travel more than 200 miles (one-way) to go to a specific restaurant: 4.1%

In the past 12 months, before leaving home on a leisure trip, I have made reservations for a restaurant in that destination: 9.4%

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: 70.9%
Visit friends or relatives: 66.7%
Shopping: 62.7%
Go to a beach or lake: 49.4%
Sightseeing in cities: 47.1%
Visit an historical place: 44.0%
Sightseeing in rural areas: 42.8%
Casinos/Gambling: 36.9%
Drive a designated scenic byway: 30.4%
Visit theme/amusement park: 28.7%
Art galleries or museum: 26.3%
Attend a family reunion: 25.7%
Attend concert/play/musical: 23.0%
Attend a sporting event: 21.3%
Take a guided tour: 18.9%
Visit ethnic heritage sites: 17.3%
Nightclubbing: 17.3%
Visited a winery: 13.8%
Sailing or other water sports: 12.4%
Stay at all-inclusive resort: 11.8%
Spa or hot spring: 10.0%
Take a day cruise: 8.3%
Golf: 7.9%
Tennis: 3.1%
Visit small towns/villages: 42.9%
Visit a state or local park: 34.3%
Visit National Parks: 28.6%
Foliage/fall scenery watching: 19.9%
Fishing: 19.8%
Day hiking: 19.1%
Camping: 18.3%
Visit a National Forest: 17.5%
Visit ecological sites: 12.1%
Visit a Civil War battlefield or historic monument/location: 11.8%
Astronomy or stargazing: 9.6%
Bird watching: 8.9%
Horseback riding: 6.6%
Canoeing or kayaking: 5.9%
ATV or off road vehicles: 5.1%
Hunting: 4.5%
White water rafting: 4.2%
Mountain biking: 3.7%
Hiking trip (1 or more nights on trail): 3.4%
Skiing or snowboarding: 3.1%
Rock climbing: 2.8%
Mountaineering: 2.0%
Ranch vacation: 1.7%

19. Which of the following best describes your opinion? (Select one)

I typically find foreign destinations to be more interesting than domestic destinations: 17.0%

I typically find domestic destinations to be more interesting than foreign destinations: 24.2%

I have no preference, both foreign and domestic destinations are of equal interest: 58.4%

(Continued from Page 1)

Over the past 2 years, Americans have expressed increasing anxiety over their personal financial situations (Table 2, Page 2). In July of 2006, 42.0 percent of survey respondents said that they had not traveled as much as they would have liked due to their personal financial situation. The next January, this figure grew to 45.2 percent and expanded further to 48.5 percent last summer. In this most recent poll, for the first time, more than half (51.8%) said that they had cut back on their leisure travel for personal financial reasons.

Along with elevated economic anxiety, high gasoline prices continue to be a serious concern. The percent of Americans who say high gasoline prices have led them to travel less than they otherwise would have preferred reached a high of 54.2 percent in our most recent survey. In the summer of 2006, this figure stood at 47.3 percent. Six months later, in January 2007, there appeared to have been a softening of this sentiment, with the figure falling to 40.1 percent, only to increase again last summer to 46.1 percent.

As we move toward the summer travel season, we expect that American travelers' anxiety about their personal finances will largely determine the industry's performance. If fears of recession abate and growth in gasoline prices is moderate, latent consumer optimism will prevail and power another season of positive industry growth.

SOCIAL MEDIA MOVES FORWARD

Our survey shows that American leisure travelers continue to use Internet content to make all types of travel decisions, from selecting and booking their hotels, to picking the actual destinations they visit. In our most recent survey, significant growth was seen in the use of advanced social media content. When compared to just six months ago, user-generated travel reviews and content, online travel videos, RSS feeds and social book marking websites all saw statistically significant increases in their use as travel planning tools.

20. 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 than I expected: 59.2%
Taken a laptop computer with me when I traveled for leisure: 29.3%
Something new/exciting: 28.2%
Made a new friend(s): 28.1%
Ordered room service in a hotel: 20.2%
Traveled specifically to get away from my work: 19.6%
Attended religious services: 19.6%
Brought my pet(s) with me: 13.5%
Purchased a travel package: 11.3%
Did something dangerous: 11.0%
Brought meal on airline: 10.3%
Took a class or educational seminar: 6.6%

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

Booked a hotel (or lodging): 47.0%
Selected a hotel/place of stay: 47.0%
Purchased airline tickets: 38.6%
Read about local culture, arts, heritage or events of a destination: 37.2%
Selected attractions or things to see and do in a destination I was planning to visit: 36.5%
Selected an airline: 35.8%
Decided to visit particular destination: 35.2%
Booked a rental car: 29.0%
Decided how long I would stay at a destination: 28.4%
Selected car rental company: 24.6%
Selected a restaurant in a destination I was planning to visit: 24.8%

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

Yes: 24.1%
No: 71.4%
I don't know: 4.6%

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

Yes: 32.4%
No: 63.3%
I don't know: 4.3%

24. Which of the following (if any) are reasons you used a Visitors or Convention Bureau or state government travel office website?

They offer the specific travel information I need: 50.3%
Their content is trustworthy: 49.7%
They have a broader scope of content: 39.7%
There is less commercial influence: 33.7%
Generally good website design or usability: 31.8%
I located the website on a search engine: 31.8%
These websites have fewer advertisements: 28.9%
They have more authoritative content: 21.6%
Habit - I typically use them: 21.3%

25. Which of the following (if any) are reasons you did not use a Visitors or Convention Bureau or state government travel office website?

I just didn't think to use them: 65.9%
I just didn't realize they exist: 18.8%
They don't offer the specific travel information I need: 16.0%
Better sources of travel information are available: 14.9%
Opinions on these websites are biased: 10.6%
They have too much commercial influence: 8.4%
Their content is not all inclusive: 7.5%
These websites contain too much advertising: 7.1%
Generally poor website design or usability: 6.4%
Their content is usually not current or up to date: 6.2%
The search engine did not return website: 3.8%

26. In the past 12 months have you ordered or used a printed visitors guide (ie: a printed vacation planning guide) from a Visitors or Convention Bureau, Chamber of Commerce, or state government travel office?

Yes: 6.5%
No: 92.0%
Uncertain: 1.5%

27. In the past 12 months, which of these Internet technologies or services have you used to help plan your leisure travel? (Select all that apply)

Read user-generated travel reviews of hotels from other travelers: 27.0%
Read a travel-related e-mail newsletter: 22.3%
Read user-generated travel reviews of destinations (cities, states or countries) from other travelers: 20.9%
Read a travel itinerary, blog or journal posted by another traveler: 20.5%
Read user-generated travel reviews of restaurants or travel activities/things to do: 16.8%
Watched a video online including visiting video sharing websites: 15.2%
Used a social photo sharing website (i.e., Flickr): 8.2%
Submitted reviews, comments, photos or an itinerary of your own to one of these types of sites: 7.1%
Listened to an audio file downloaded from the Web (including podcasts): 6.8%
Used RSS feeds: 4.1%
Used a social bookmarking websites (i.e., del.icio.us): 3.8%

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 3rd to 7th, 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, 1,002 leisure travelers completed the survey. With this sample size, the topline data presented here can be considered to have a reliability of +/- 3.1%.