Destination Analysts'

The State of the American Traveler™

DESTINATIONS EDITION

Winter **2019** | Volume **31**

Destination Analysts

The Destinations Edition

THE DESTINATIONS EDITION of *The State of the American Traveler*™ explores ideas and concepts around where and why people travel. As always, we start with an examination of the current leisure travel landscape, which features a somewhat darkened traveler mood. Demand for leisure travel will likely remain strong this year, but American expectations for increased leisure travel in the next year has weakened. When planning their budgets, Americans also appear to be attaching somewhat less importance to leisure travel spending this year. This report additionally takes a deep dive into the destinations Americans are wanting to explore in the upcoming year. If you should have questions or ideas for future survey topics, we welcome you to message us: info@destinationanalysts.com or @DA_Research.

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Methodology

THE STATE OF THE AMERICAN TRAVELER SURVEY is conducted quarterly by Destination Analysts, Inc., a San Francisco-based tourism industry research company. The survey is conducted online amongst a nationally representative sample of adult Americans. From January 4th to the 12th, 2019, 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, 2,000 leisure travelers completed the survey. With this sample size, the top line data presented here can be considered to have a reliability of +/- 2.2%. This information is provided “as is” and intended for informational purposes only. It should not be relied upon for operational, marketing, legal, technical, tax, financial or other advice. Destination Analysts is not responsible for your use of the information contained herein (including errors, omissions, inaccuracy or non-timeliness of any kind) or any assumptions or conclusions you might draw from its use.

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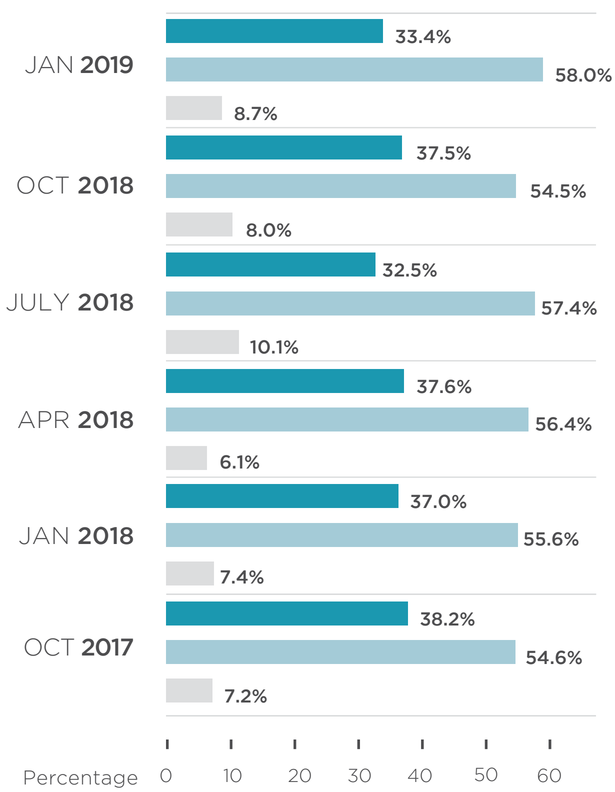
1 Travel Expectations & Travel Spending Expectations

THE NEW YEAR has started with undertones of considerable uncertainty. While economic indicators had remained strong for much of the past year, talk of a slowdown now is in the wind. Sluggish growth, trade wars, higher interest rates, inverted yield curves, political gridlock and government shutdowns are all part of the conversation. We are currently experiencing what may be early signs of a pessimistic shift in the collective traveler psyche, as our latest sentiment tracking survey point toward a potential weakening of the domestic leisure travel market. In our most recent survey wave, the percent of travelers who said they expect to travel more in the next 12 months decreased. Only 33.4 percent said they would be taking more trips, compared to 37.0 percent one year earlier. This moderate degree of pessimism seen in trip expectations also extends to future travel spending. When asked if they expect to spend more in the upcoming year on leisure travel, only 32.2 percent of American leisure travelers said that they would be beefing up their expenditures. This is down from 36.5 percent one year ago.

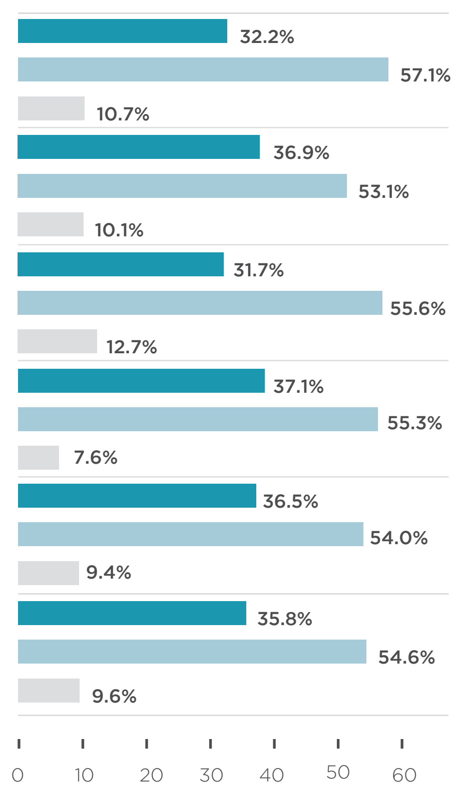
THE KEY: expect more | expect the same | expect less

Travel Expectations (Trips)



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

Travel Expectations (Spending)

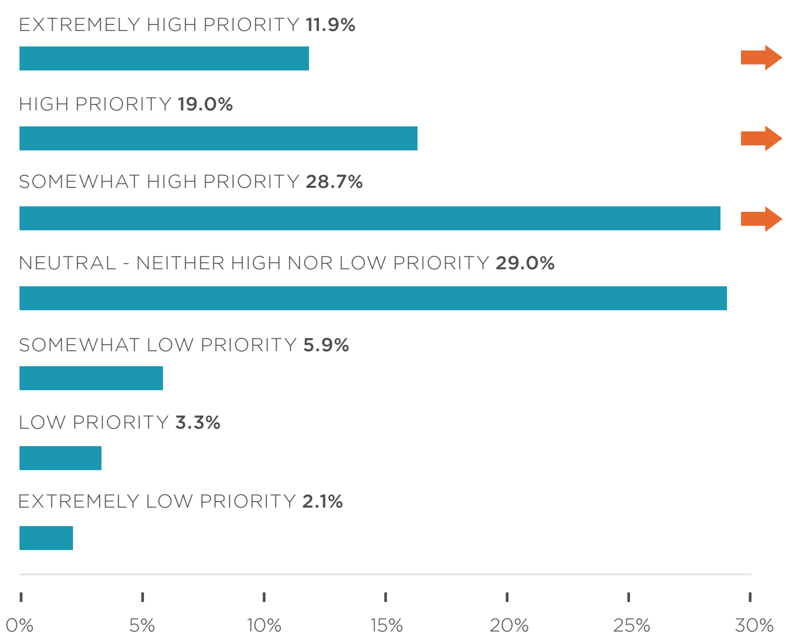


Q: In the next 12 months, do you expect to spend more or less for leisure travel than you did in the most recent 12 month period?

2 Travel as a Budget Priority Slips

Travel volume and spending expectations have softened, but potentially more unsettling is a drop in the general sentiment of how important leisure travel is as a budgetary item. Once a year, we ask how much priority travelers intend to place on leisure travel as they allocate their family budgets. At this time last year, nearly two-thirds of American leisure travelers (65.3%) said that leisure travel would be at least a "somewhat high priority." This year, the corresponding figure has sharply dropped to 59.6 percent. The chart below shows the results from this year.

Leisure Travel Spending: Priority in Household Budget



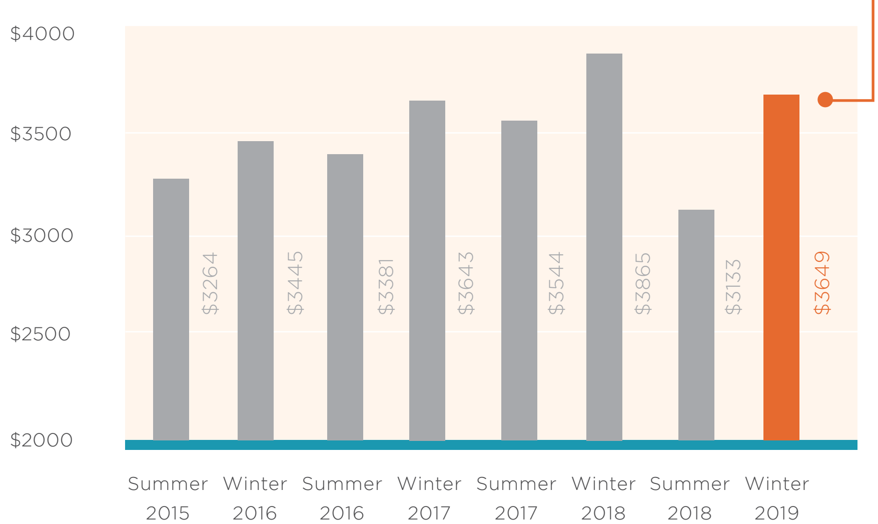
Top 3 Box Score:

59.6%

Down from 65.3% last year

Q: Thinking carefully about how you expect to spend your income in the NEXT 12 MONTHS, please use the scale below to describe your spending priorities in next year. (Select one)

Travel budgets down 5.6% in past year



In another concerning sign for leisure travel in the upcoming year, Americans are expecting to decrease their budgets for this activity this year. The typical traveler says they will spend nearly $3,649 this year, down 5.6 percent from one year ago.

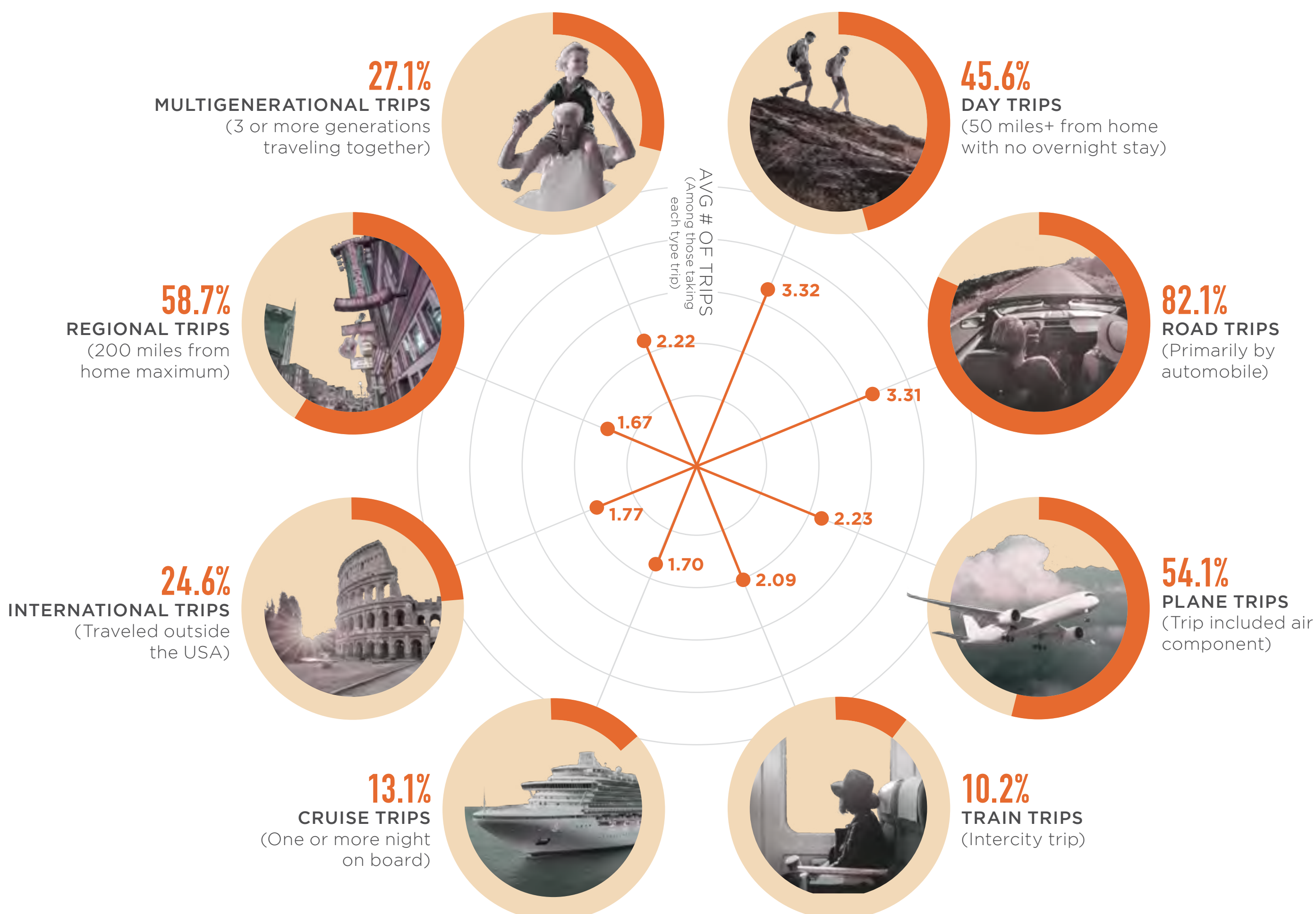
Q: How much IN TOTAL is the maximum you will spend on leisure travel (including airfare, accommodations and all other trip related spending) during the NEXT TWELVE (12) MONTHS?

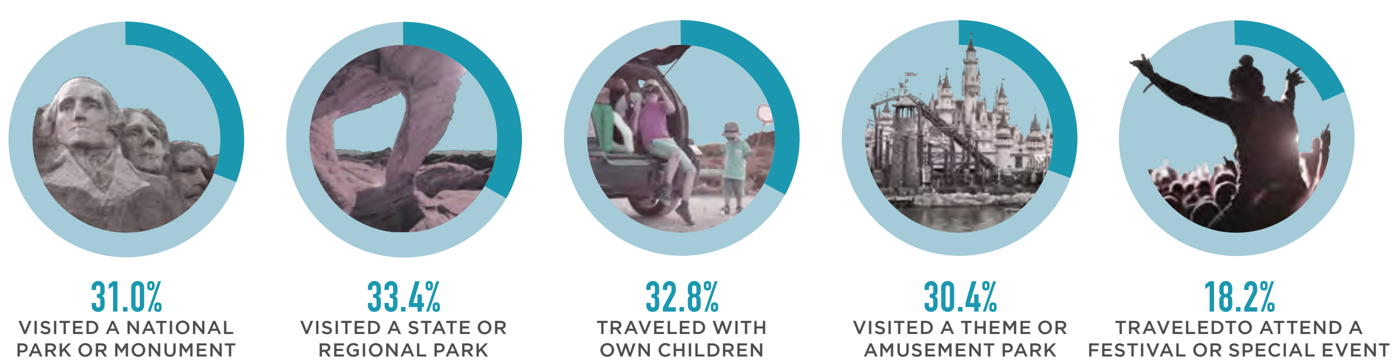
3.1

How Americans Travel for Leisure

In the past year, the average American leisure traveler took 4.02 trips (50 miles or more away from their home for purely leisure reasons.) This is down by about one half a trip from one year earlier, when the typical leisure traveler reported taking 4.57 trips.

Percent of Travelers Taking Each Trip Type

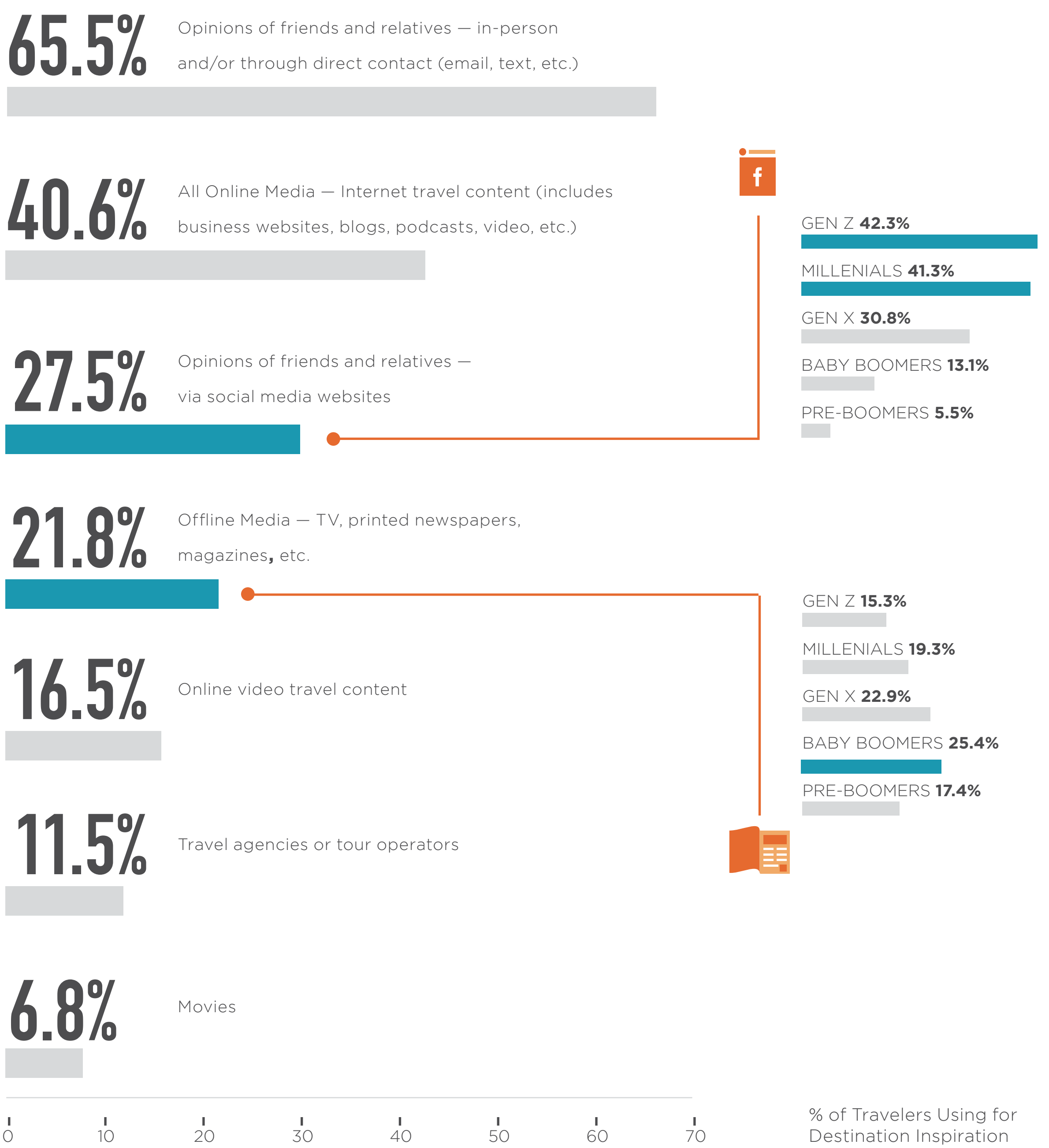




3.2 Destination Selection

Word of mouth is still by far the most relied upon way people find travel inspiration. Two thirds of American travelers say they rely on the in-person opinions of friends and relatives, while nearly one third percent get this information from social media. Still, differences by age group are significant.

Q: Please think specifically about how you get your inspiration for the destinations you want to visit domestically. Which would you typically use to find destination ideas and inspiration? (Select all that apply)

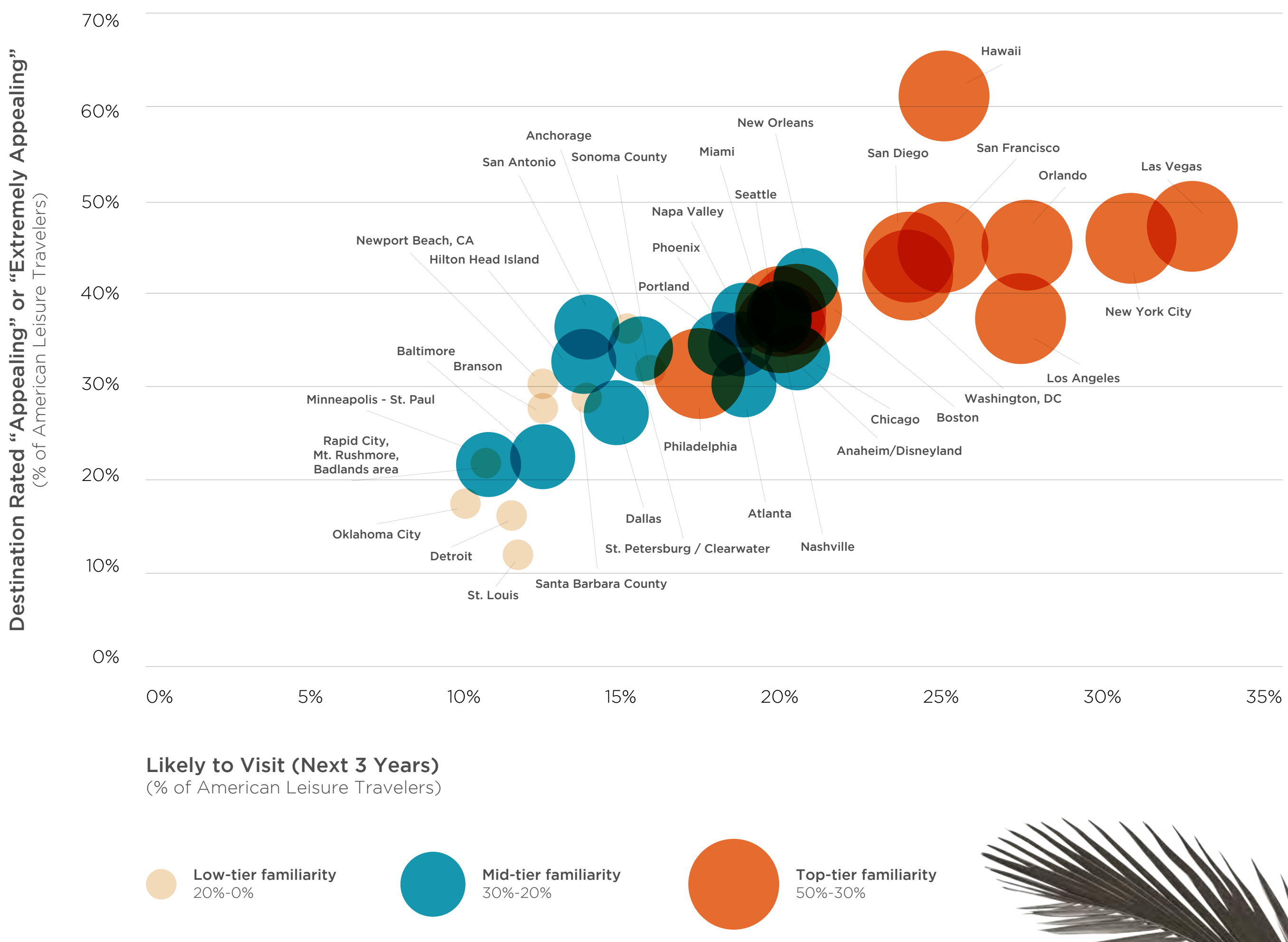


4

Destination Brand Performance

Familiarity, Appeal and Likelihood of Visitation

The scatter diagram below illustrates a selection of the destinations ranked by appeal and likelihood of visitation. The size of individual bubbles represents traveler familiarity with the place as a leisure destination. While the relationship between a destination's appeal and traveler likelihood of visiting is obvious, comparing destinations in detail reveals the complexities of their brand positions.



*Bubble placement is approximate

5 The Top 20: Destination Hotlist

New York City Tops the Domestic Charts

When asked in an open-ended format, which destinations travelers most want to visit in the next year, nearly one in four (17.4%) wrote in The Big Apple. Close behind was Las Vegas, at 15.8 percent. The popularity of Europe with American travelers is also clear, with the top two foreign destinations being the United Kingdom (13.5%) and France (12.7%)

Domestic Hotlist

% of American Leisure Travelers

NEW YORK CITY	**17.4%**
LAS VEGAS	**15.8%**
ORLANDO/DISNEY WORLD	**10.1%**
FLORIDA	**9.1%**
LOS ANGELES	**7.1%**
HAWAII	**6.1%**
WASHINGTON DC	**5.7%**
CALIFORNIA	**5.6%**
CHICAGO	**5.5%**
MIAMI	**5.1%**
SAN FRANCISCO	4.9%
ATLANTA	4.9%
SAN DIEGO	4.3%
SEATTLE	4.2%
NEW ORLEANS	3.7%
YELLOWSTONE NP	3.7%
GRAND CANYON NP	3.7%
BOSTON	3.3%

International Hotlist

% of American Leisure Travelers

UNITED KINGDOM	**13.5%**
FRANCE	**12.7%**
ITALY	**12.2%**
CANADA	**11.2%**
MEXICO	**8.7%**
IRELAND	**6.7%**
GERMANY	**5.5%**
SPAIN	**5.5%**
JAPAN	**5.4%**
AUSTRALIA	**5.1%**
JAMAICA	4.1%
GREECE	3.8%
CHINA	3.7%
BAHAMAS	2.4%
HOLLAND	2.3%
BRAZIL	2.2%
NEW ZEALAND	1.8%
SWITZERLAND	1.0%

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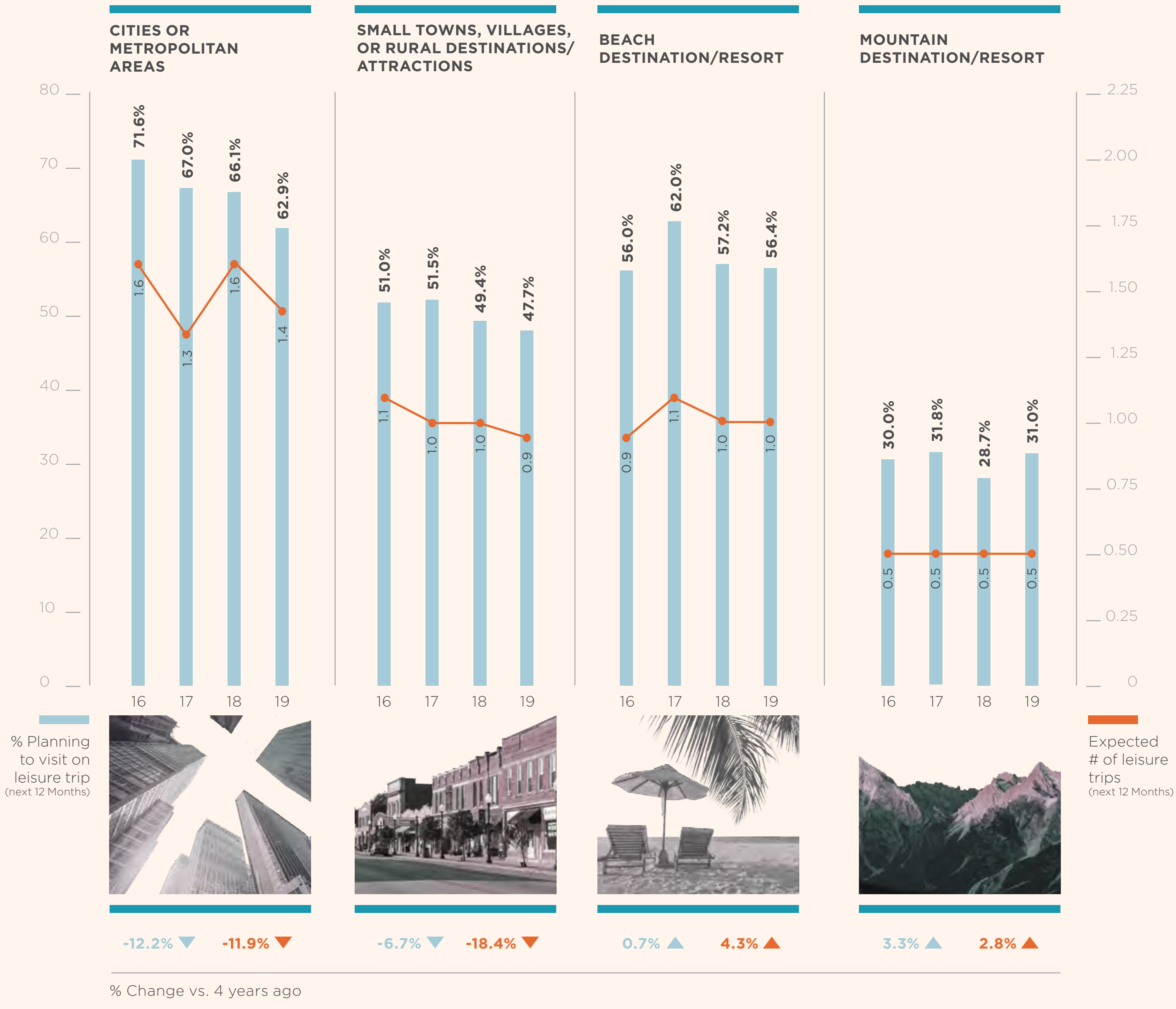
6.1

Destination Expectations, 2019

Where are Americans planning to travel in the upcoming year, and how is this changing? For the past 4 years we have asked what destination types were under consideration and how many trips to each would travelers take. Cities and metropolitan areas continue top the list as the most visited destination type. However, in the past five years, the percent of American leisure travelers saying at the start of the year that they expect to visit a city or metro are has dropped significantly.

Q: In the next 12 months, HOW MANY TRIPS will you take that will include each of the following types of leisure destinations?

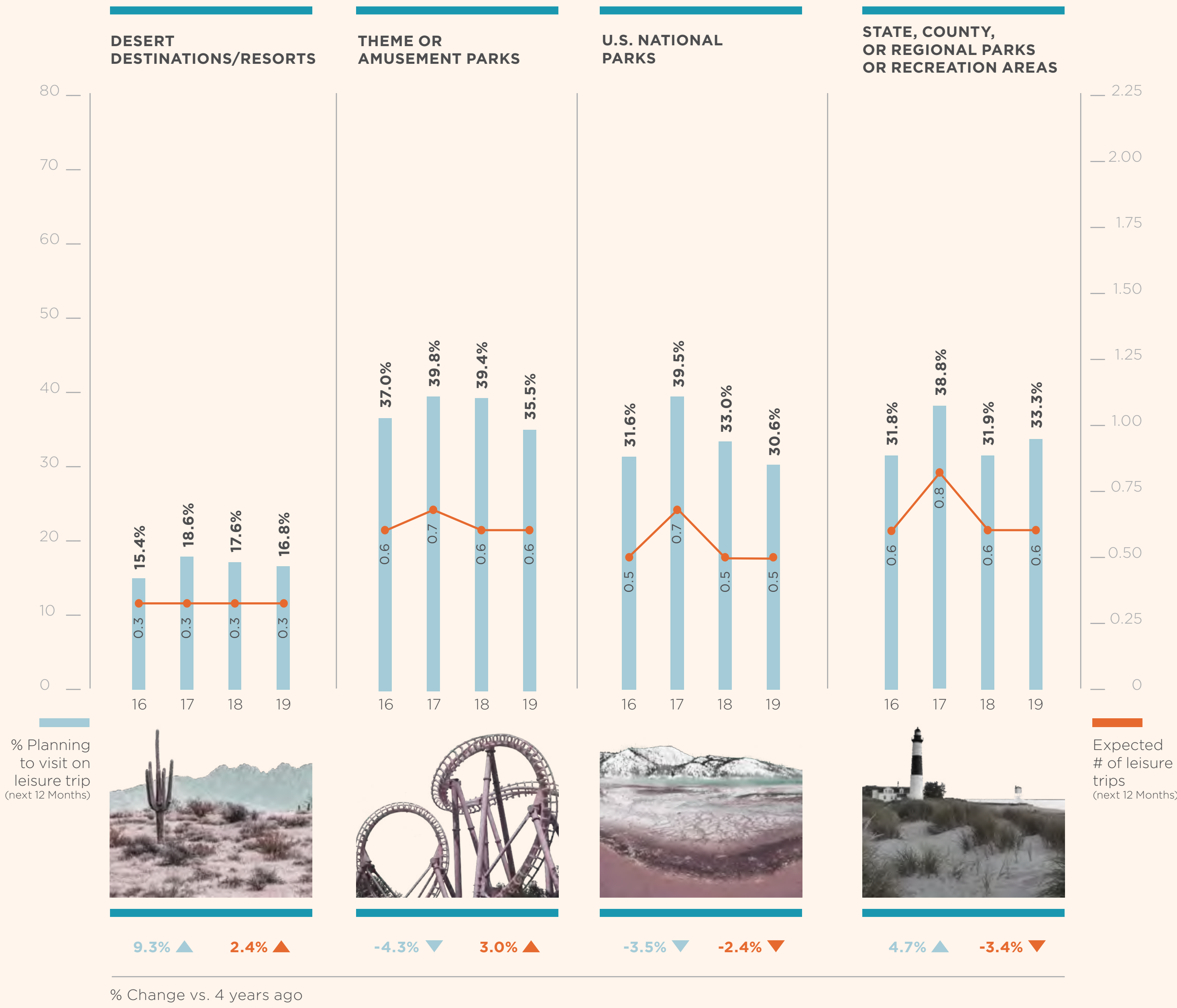


16 = WINTER 2016 17 = WINTER 2017 18 = WINTER 2018 19 = WINTER 2019

6.2

Destination Expectations, 2019 Continued

Q: In the next 12 months, HOW MANY TRIPS will you take that will include each of the following types of leisure destinations?



16 = WINTER 2016 17 = WINTER 2017 18 = WINTER 2018 19 = WINTER 2019

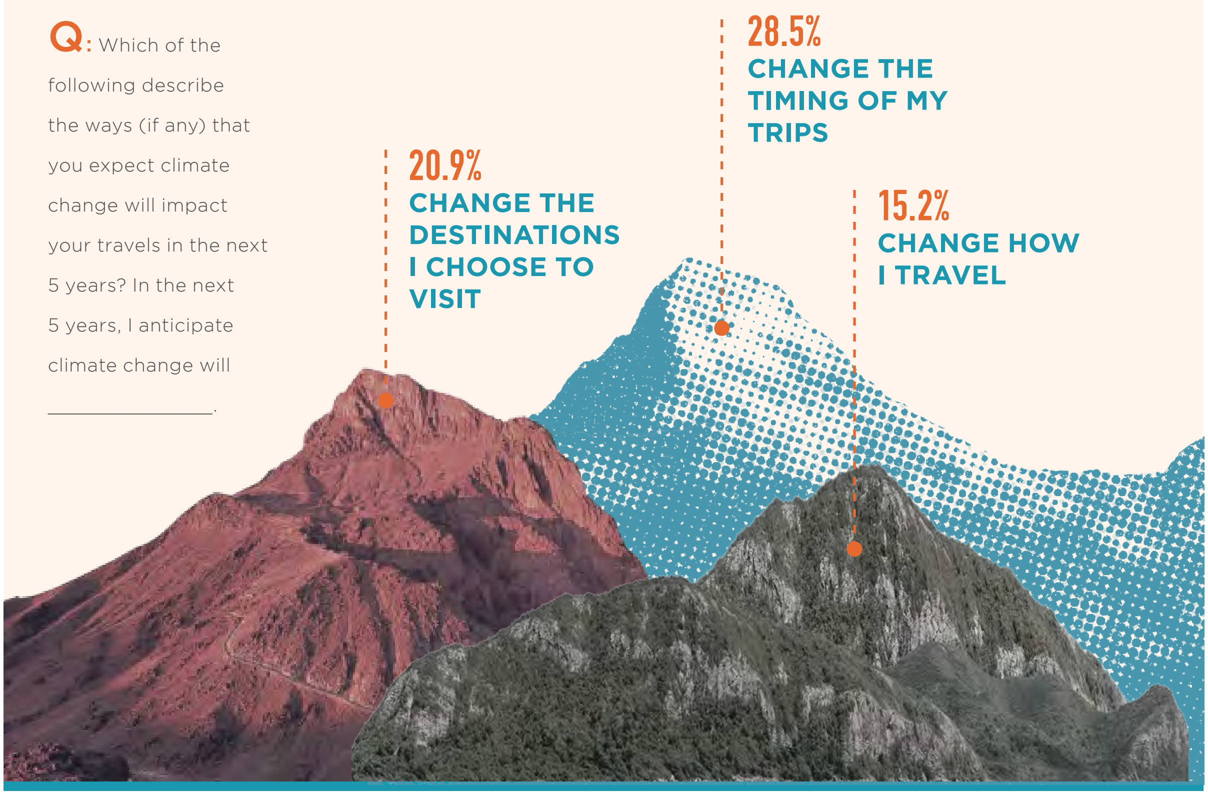
7

Climate Change and Travel Expectations

Climate change is on the minds of many American leisure travelers. In fact, fully half (50%) say that they expect it to impact their travels in one way or another at some point in the next five years. Most commonly, travelers reported that climate change would effect the time of year in which they travel. One in five, however, said they choose it will change the destinations they visit.

50% of American leisure travelers expect that climate change will impact their travels at some point in the next 5 years.

Q: Which of the following describe the ways (if any) that you expect climate change will impact your travels in the next 5 years? In the next 5 years, I anticipate climate change will ______________.



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