

THE STATE OF THE AMERICAN TRAVELER

Destination Analysts

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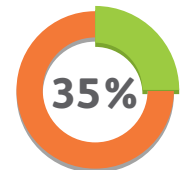
American Travel Expectations Soar

Expectations for near-term leisure travel are soaring, and may have reached an all-time high. In our most recent *The State of the American Traveler™* survey, more than a third (34.3%) of Americans say they expect to increase the number of leisure trips they will take in the upcoming year (compared to last year). This is up from 31.1 percent last January and significantly above levels seen in previous summer waves of the survey. (continued on page 2)

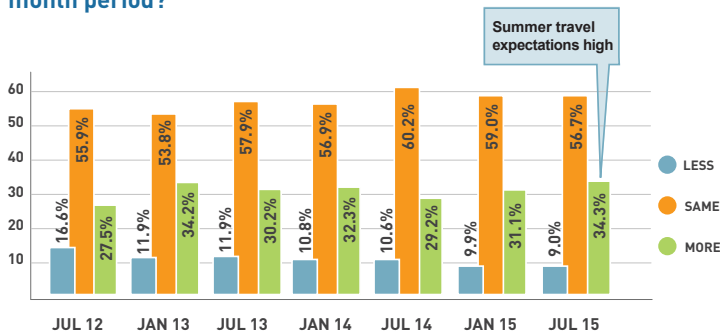
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SNAP SHOT

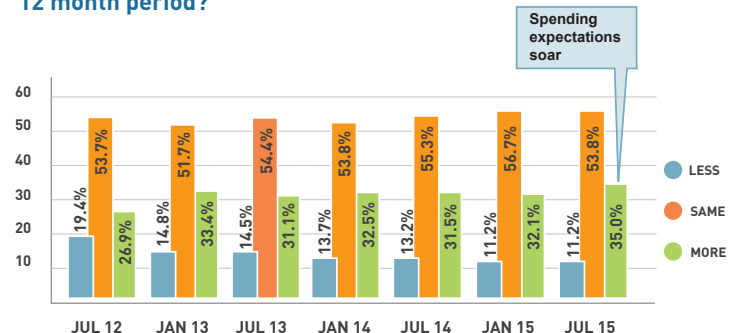
Americans planning to **increase** leisure travel **spending** in the next 12 months



Q: 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?



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?



Leisure Travel Basics

Americans took an average of 4.2 leisure trips last year. Here are some highlights of how they traveled.



47%
Day
Trips

47% of all trips were day trips, with no overnight stay. Yet nearly half of travelers (48%) **only** took overnight trips.



28%
Plane
Trips

28% of all trips included air travel. However, more than half (50%) of American travelers did not fly for leisure trips during the year.



80%
Car
Trips

80% of all leisure trips were by car. Car continues to be king in the American travel landscape, with 86% of travelers taking at least one road trip annually.



23%
Intl.
Trips

23% of American travelers traveled abroad for leisure reasons last year, averaging 2.0 trips to foreign destinations.



15%
Budget
over \$5K

15% of Americans say they could budget \$5,000 or more for leisure travel this year. The average traveler said they could budget as much as \$3,216 for leisure travel annually.



26%
Five or
More Trips

26% of Americans took five or more leisure trips in the past year. Sadly, about the same proportion (24%) only took one trip.

American Travel Expectations Soar

(continued from page 1)

Over the past nine years, in a typical summer, survey respondents tend to report lower levels of expectations for travel in the coming year. This may be because, in the summer, travelers are satisfied (or tired) from recent leisure travels or they are in the midst of planning for an impending trip. Whatever the case, in the summer wave of our survey, travel expectations are invariably lower. This year, travelers broke from this trend. Over the last three years, on average only 29 percent of travelers expected to travel more in the upcoming year. This year's enthusiasm is not only markedly higher, it is unprecedented.

Travel spending expectations are also sky high. In this most current wave of the survey, fully 35 percent of travelers say they expect to spend more on their leisure trips in the upcoming year. This again breaks with the summer norm, where in the last three years an average of 29.8 percent of travelers expected to increase their trip spending. All in all, the signs are extremely positive. As the economic recovery continues to power forward, gasoline prices remain moderate and consumer confidence grows, we expect the remainder of this year to be a banner one for destinations and businesses across the spectrum of the travel industry.

Back to the Old Normal

Distancing from Discounts & Travel Thrift Continues

Q

Which of the following are you likely to do given the overall economic climate (including gasoline prices, travel costs and your personal financial situation)? (Select all that apply)

- Look for travel discounts or bargains _____ **46.7%**
- Travel closer to home to save money _____ **23.7%**
- Visit generally less expensive destinations _____ **19.0%**
- Reduce the number of leisure trips I will take _____ **14.6%**
- Take at least one "staycation" (a vacation spent _____ **13.3%**
at home) rather than traveling

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 is conducted online amongst a nationally representative sample of adult Americans. From June 20th to 23rd, 2015, 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, 2,063 leisure travelers completed the survey. With this sample size, the top line data presented here can be considered to have a reliability of +/- 2.16%. 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, inaccuracies or non-timeliness of any kind) or any assumptions or conclusions you might draw from its use.

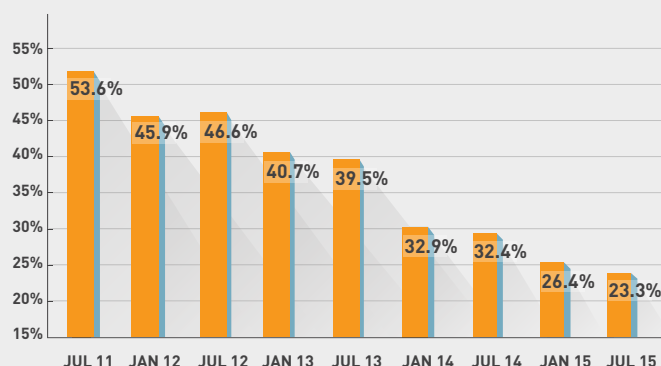
Reasons for cutting back on leisure travel



	GAS TOO EXPENSIVE	PERSONAL FINANCIAL	AIRFARE TOO EXPENSIVE	SAFETY CONCERNS
JULY 2010	40.7%	55.9%	36.0%	8.4%
JANUARY 2011	39.3%	54.6%	34.9%	11.0%
JULY 2011	53.6%	48.9%	38.9%	8.9%
JANUARY 2012	45.9%	49.1%	35.2%	7.8%
JULY 2012	46.6%	47.6%	30.2%	8.6%
JANUARY 2013	40.7%	40.9%	32.9%	9.7%
JULY 2013	39.5%	38.6%	27.1%	9.5%
JANUARY 2014	32.9%	41.1%	25.6%	9.5%
JULY 2014	32.4%	36.8%	24.0%	9.9%
JANUARY 2015	26.4%	35.7%	19.6%	9.5%
JULY 2015	23.2%	35.8%	20.6%	10.8%

GASOLINE PRICES AND LEISURE TRAVEL

A five year brightening trend



GASOLINE COSTS REMAIN OFF TRAVELERS RADAR

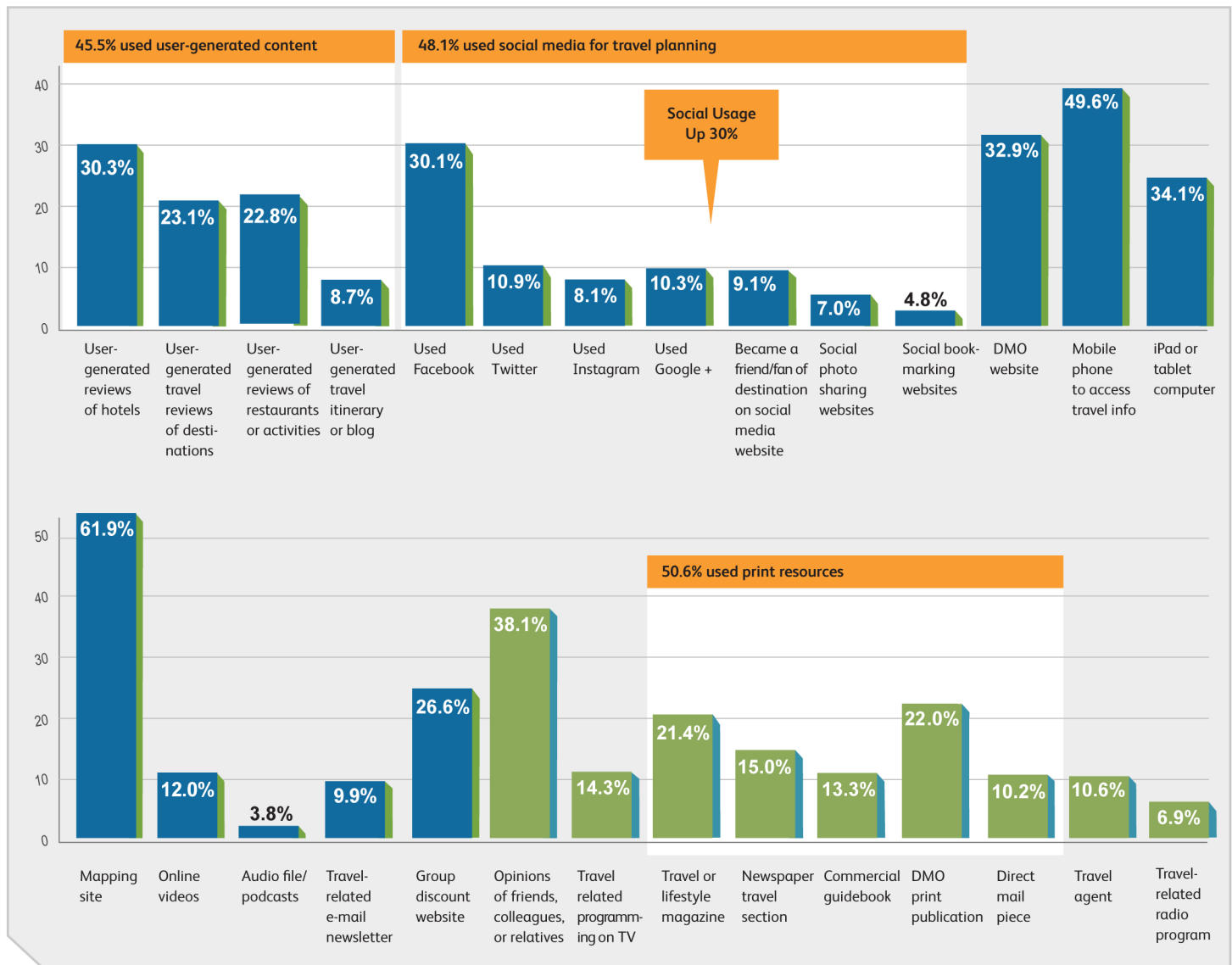
As 80 percent of leisure travel is by car, the price of gasoline had traditionally been a key factor in trip decision making. In a continued positive trend for the travel industry, fewer American travelers are now saying that high gasoline prices are causing them to cut back on their travels. Down from a high of 53.6 percent in 2011, the proportion of American travelers cutting back on their travel due to gas prices fell to 23.3 percent in the most recent survey.

Travel Media & Technology

Resources and Services Used to Plan Leisure Travel

Q 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)

● ONLINE
● OFFLINE



Official DMO Resource Usage

Q

Q: In the past 12 months, have you used the official WEBSITE of a destination's local Visitors or Convention Bureau (or Chamber of Commerce), or state or national government travel office to help plan any travel?

YES _____ 32.9%
NO _____ 62.1%
I Don't Know _____ 5.0%

Q

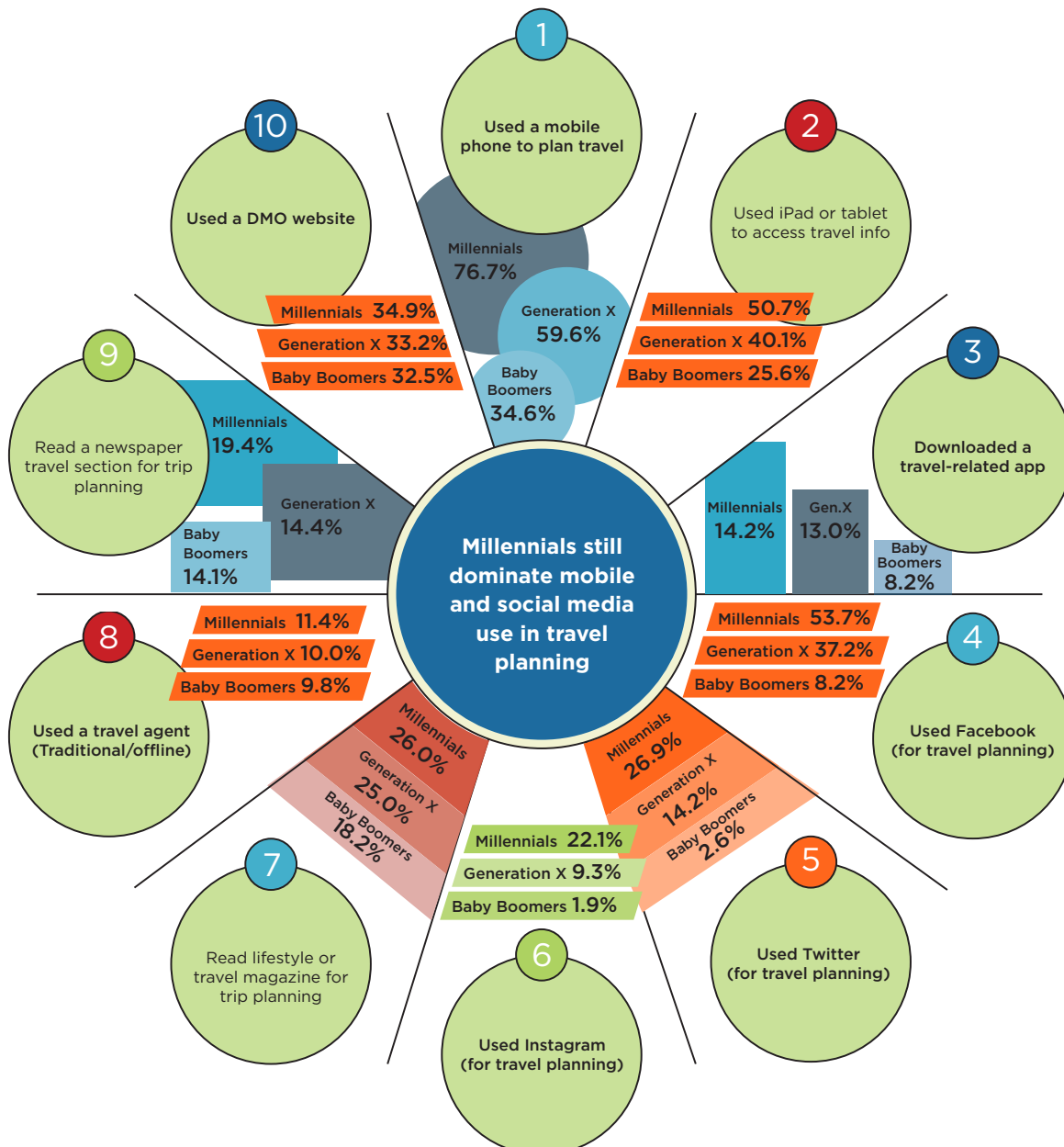
Q: In the past 12 months while traveling for leisure, have you used resources from an official city, state or regional VISITOR INFORMATION CENTER?

YES _____ 37.6%
NO _____ 57.6%
I Don't Know _____ 4.8%

Younger Travelers Dominate Mobile and Social Planning Realms *But Mobile Usage Gap Shrinks*

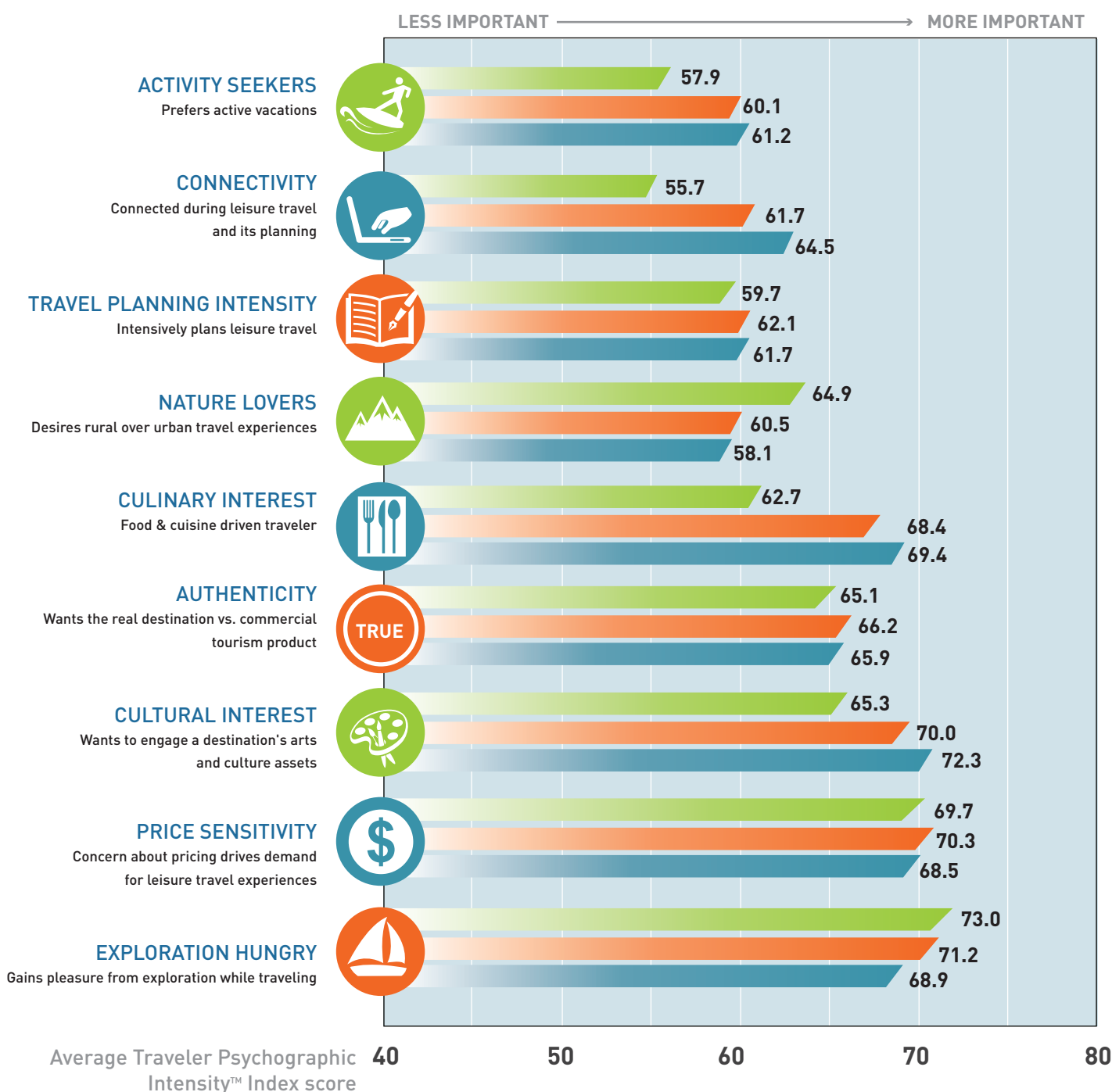
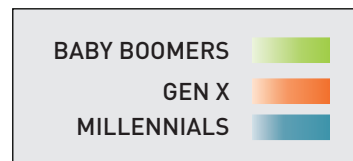
In their travel planning, members of the Millennial Generation are consummate media consumers. The infographic below illustrates the very significant differences between the generations in the resources they use to plan travel. Younger travelers are the clear driving force behind the use of mobile devices and social media—their usage far outpaces usage by older generations. However, when compared to

12 months ago, Baby Boomers seem to be more comfortable with mobile planning. For example, this year, 34.6 percent of Baby Boomers say they have used a mobile phone to plan their travels. Last year, this figure stood at 25.5 percent. Long-established planning tools like travel magazines and newspapers, brick and mortar travel agents and even DMO websites continue to be more evenly used between the generations.



The Generations: Different Travel Styles

Destination Analysts' Traveler Psychographic Intensity™ Indices show that members of the Millennial Generation are active, highly connected travelers with a desire for urban culture and culinary experiences. Baby Boomers are more interested in less active, rural experiences that yield a sense of exploration. GenX sits at the halfway point between the two generations, with one key unique differentiator, slightly higher levels of price sensitivity.



Destination Analysts' proprietary Traveler Psychographic Intensity™ Indices™ uses a series of related seven-point scale questions to measure the strength intensity in a traveler's feelings about aspects of leisure travel. For each psychographic category, every survey respondent is given a score of 1-100—with high scores indicating high levels of intensity or importance.

The Millennial Generation versus the Baby Boom

Differences abound in leisure travel behaviors

Understanding the very significant psychographic and behavioral differences that exist between these two generational behemoths is critical to travel marketing. We've scoured the results of this survey for measurable differences between these groups. Some of the more interesting ones are detailed below, revealing a picture of two groups with very different needs, interests and values when it comes to leisure travel.

MILLENNIALS

Social creatures. Millennials are nearly three times as likely to accept a travel company's social media popularity as an indicator of a brand's credibility. Nearly half of these travelers (**47.3%**) say that if a travel company/organization has many fans/followers, they are more likely to trust it. Only **18.3%** of Baby Boomers agree.

Travel optimists. They are twice as likely to say they will travel more in the upcoming year (**52.1% vs. 24.1%**) than Boomers. They are also far more likely to say they plan to increase their spending on leisure travels (**48.6% vs. 27.5%**) in the next 12 months.

High spending expectations. The typical Millennial expects to spend at most **\$3,005** on leisure travel this year. These spending expectations are nearly identical to Boomers who have budgeted an average of **\$3,044** for this year's leisure escapes.

High-tech economizers. Millennials tighten their financial belts differently. Nearly half of Millennials (**42.7%**) expect to use group discount websites (e.g., Groupon, Living Social, etc.) specifically to save money this year. Fewer than one in five (**18.1%**) Baby Boomers will do so.

BABY BOOMERS

Surprisingly wired. The typical Baby Boomer uses **2.3 computing devices** (desktops, laptops, tablets and mobile phones.) Statistically speaking, Baby Boomers personally use the same number of these devices as do Millennials.

Losing their edge? The rock n' roll generation has clearly aged and become more risk averse. Millennials are **three times as likely** as Boomers to have "done something risky or dangerous" while traveling in the past year. These younger travelers are also twice as likely to have "done something they regretted later."

Staying closer to home. Baby Boomers take about as many leisure trips as Millennials, but they are far less likely to venture abroad. In the past year, the typical Boomer took **4.4 leisure trips**, but only **17.2 percent of them venture abroad for leisure**. 32 percent of Millennials vacationed outside the United States.

Traditional thriftiness. Baby Boomers also save money differently. Unlike Millennials and their group discount websites, these older travelers report being about **three times as likely** as Millennials to say travel rewards programs (hotels, airlines, etc.) are important to how they generally plan their leisure travels.

Demographically Speaking

Travelers in these two generations differ on all measures except education, with equal proportions of both groups having at least a college education (**Millennials at 46.6% and Baby Boomers at 48.6%**). Millennials are less likely to be married (**40.0% vs. 64.6%**), more ethnically diverse (**non-Caucasians account for 37.0% vs. 13.3% of respondents**), more likely to live in an urban area (**33.1% vs. 19.4%**) and have lower average household incomes (**25.1% vs. 36.0% greater than \$80,000.**)

