DESTINATION ANALYSTS, INC.

VOLUME 16, JANUARY 2014

THE STATE OF THE AMERICAN TRAVELER™

Leisure Travel Outlook Remains Positive

American enthusiasm for hitting the open road is as strong as ever. January results from our biannual national survey show continued optimism regarding upcoming leisure travels. The proportion of American leisure travelers expecting to travel more in the upcoming year (compared to the previous year) is up from levels recorded last summer. In our latest survey, the proportion of leisure travelers planning to travel more increased to 32.3 percent, up from 30.2 percent six months ago. Spending expectations are also robust, with 32.5 percent expecting to increase their leisure travel spending in the coming year.

SNAPSHOT

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

32.5%

(continued on page 2)

Q In the past twelve (12) months, how many trips have you taken of more than 50 miles one-way for purely leisure or personal reasons?

One	24.7%
Two	22.0%
Three	13.0%
Four	9.8%
Five	8.3%
Six	5.4%
Seven to Ten	2.1%
Eleven to Twenty	4.6%
Twenty one to Thirty	1.1%
More than Thirty	1.0%
AVERAGE	4.8

Q How many of these leisure trips were day trips (no overnight stay)?

Zero	39.8%
One	20.4%
Two	15.4%
Three or more	24.4%
AVERAGE	2.2

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

Zero	13.7%
One	24.0%
Two	19.6%
Three or more	42.8%
AVERAGE	3.7

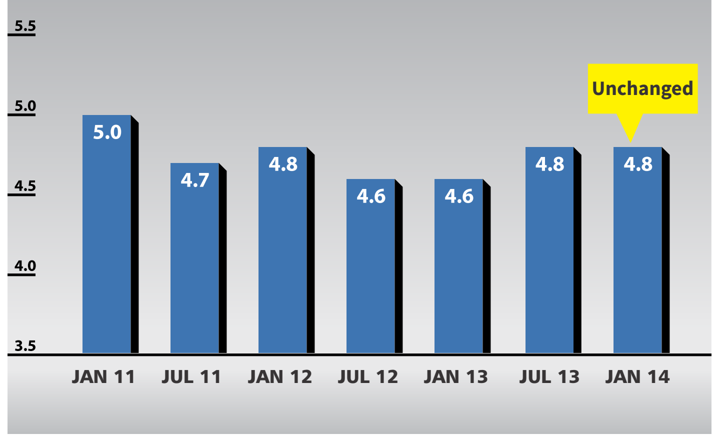
Q How many of these leisure trips included air travel?

Zero	53.3%
One	20.7%
Two	13.7%
Three or more	12.2%
AVERAGE	1.2

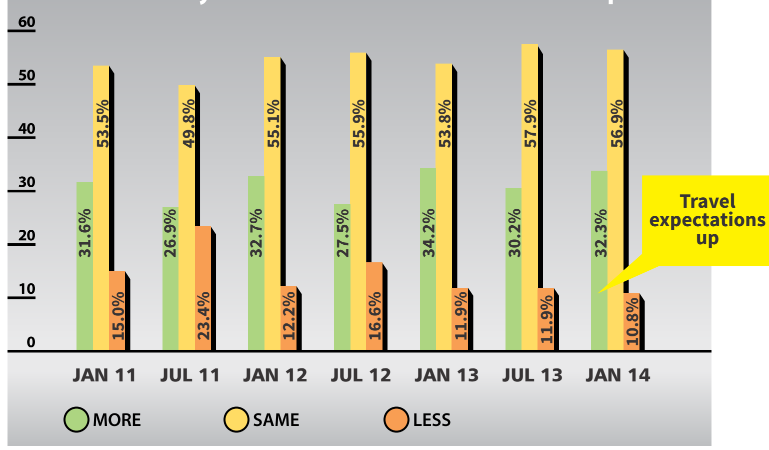
Q How many of these leisure trips included travel outside the United States?

Zero	75.4%
One	14.3%
Two	5.0%
Three or more	5.3%
AVERAGE	0.7

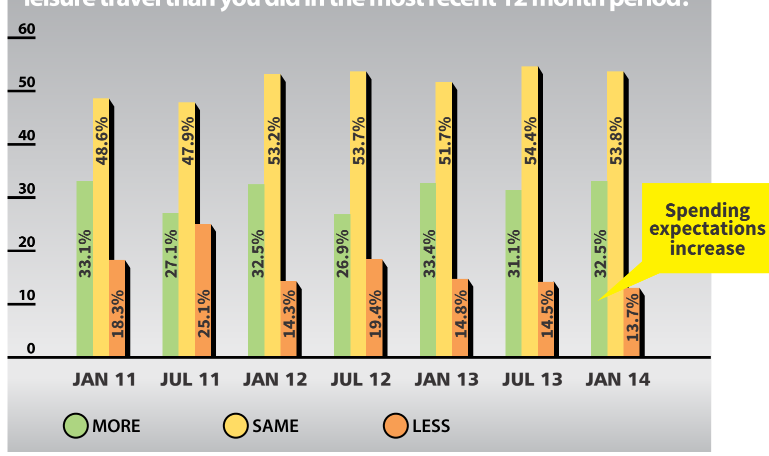
Average number of leisure trips taken (past 12 months)



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?

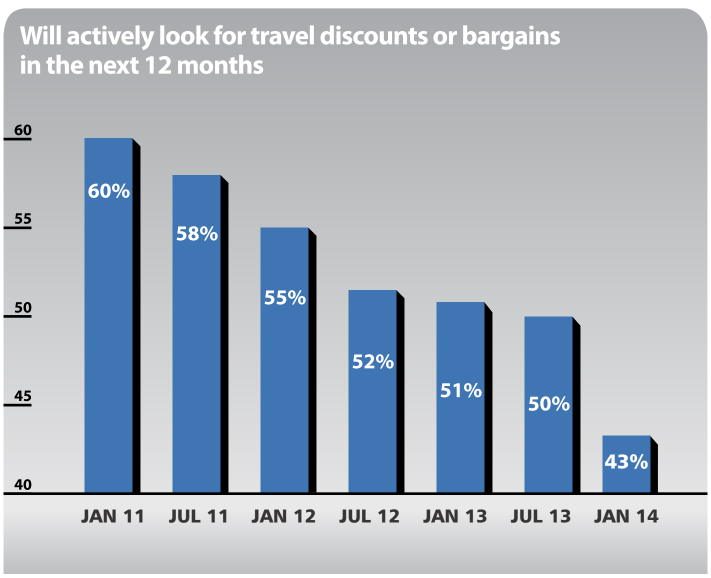


Leisure Travel Outlook Remains Positive

(continued from page 1)

Constrained transportation costs are supporting this positive outcome, with moderate gas prices continuing to be a strong stimulant to traveler enthusiasm. In the current wave of the survey, fewer travelers again reported that high gas prices had kept them from traveling more than they would have otherwise preferred in the past 12 months. Only 32.9 percent reported that "Gasoline prices" have kept them from traveling more, compared to 40.7 percent one year ago. More affordable airfares appear to be another underlying factor. In July 2011, 38.9 percent of travelers said "Airfare was too expensive" was a reason they had reduced their travels in the past year. In the most recent wave, this figure had fallen to 25.6 percent.

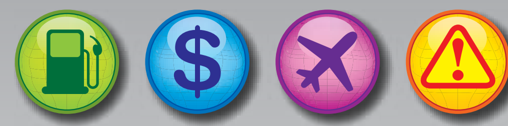
Travel discounts and bargains continues to be less and less attractive to America's leisure traveling set. As reported in the last edition of this study, over the past several years a continued decline in traveler interest in saving money through discounts has been seen. The proportion of American leisure travelers who expect to actively look for travel deals and discounts has been in a strong decline over the last three years. In our most recent poll, fewer than half (43.2%) were so inclined. In January of 2010, fully 63.1 percent of travelers said they would be actively seek out deals and discounts in the upcoming year.



Pressure to Discount Continues to Slide

Continuing its downward slide, the percent of American leisure travelers who expect to actively look for discounts or bargains fell to 43 percent in the most recent survey wave.

Reasons for cutting back on leisure travel



	Gasoline was too expensive	Personal financial reasons	Airfare was 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%

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

(Select all that apply)

Personal financial reasons	41.1%
Gasoline was too expensive	32.9%
Airfare was too expensive	25.6%
I was too busy at work	18.8%
Other personal responsibilities	16.1%
I didn't have enough vacation time	12.8%
Safety concerns	9.5%
Weather	8.8%
Health/Illness	8.5%
Child care responsibilities	7.3%
I did not have a travel companion(s)	4.0%
I travel frequently for business and preferred to stay home	2.3%
Lack of availability (at hotels, golf courses, spas, etc.)	1.4%

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)?

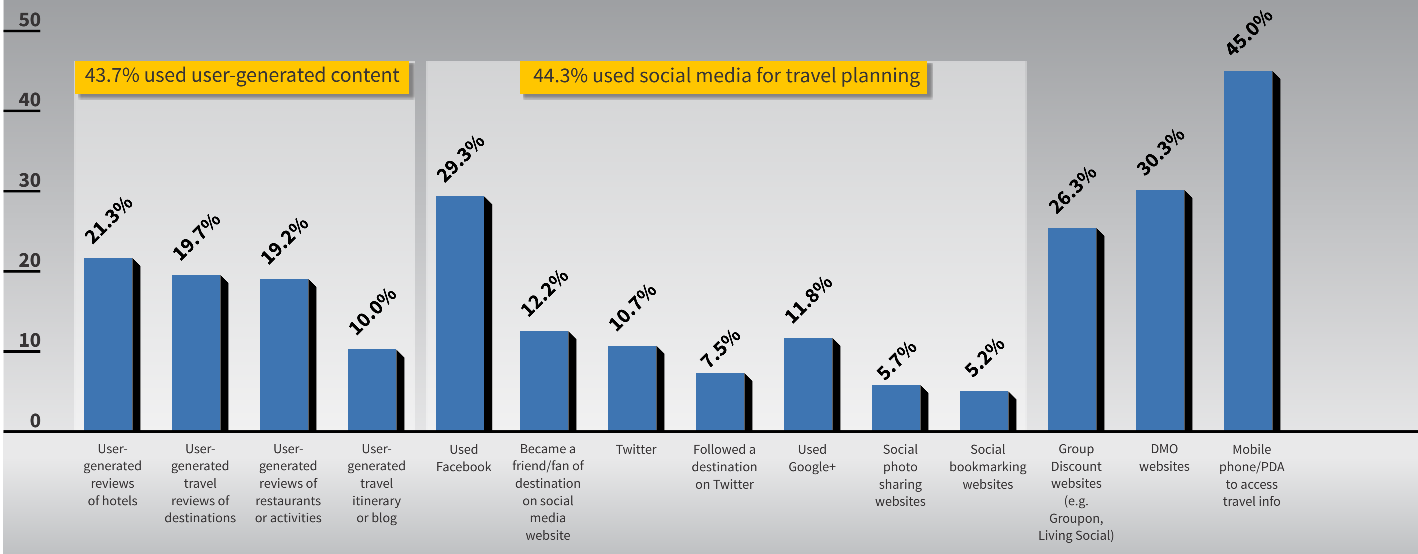
(Select all that apply)

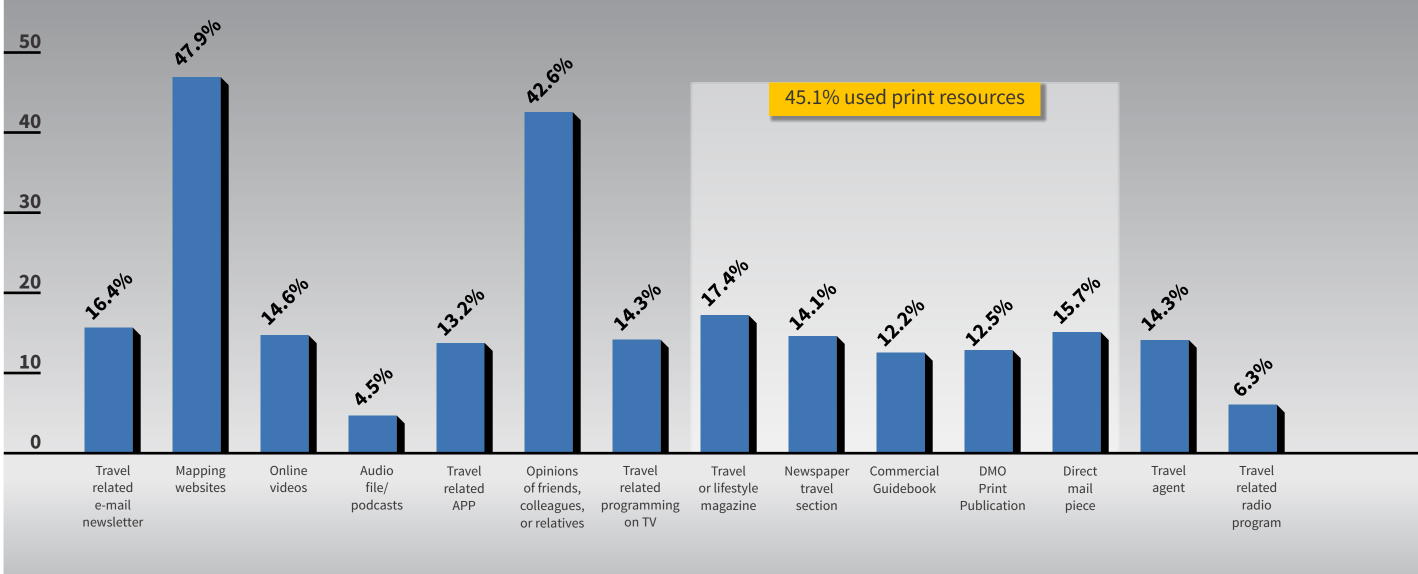
Visit generally less expensive destinations	21.6%
Take a "bucket list" trip I've been thinking about	18.3%
Prioritize more of my income toward travel	18.0%
Shorten the distance of my trip(s) or reduce side trips along the way to save money	14.5%
Take at least one "staycation" (a vacation spent at home) rather than traveling	13.3%
Take a more expensive vacation(s) than normal	11.9%
Take an expensive luxury vacation	10.0%
Travel more internationally	9.6%
Cancel a trip that I've already begun to plan	3.5%

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 January 4th to 10th, 2014, 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, 2,027 leisure travelers completed the survey. With this sample size, the topline 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.

Technologies, Resources and Services Used to Plan Leisure Travel

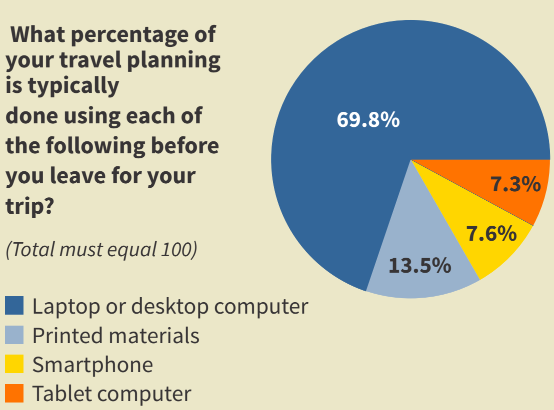
In the past 12 months, which of these Internet technologies or services have you used to help plan your leisure travel? (Select all that apply)





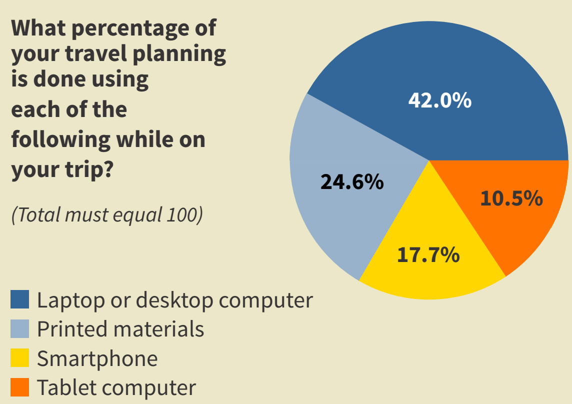
Q What percentage of your travel planning is typically done using each of the following before you leave for your trip?

(Total must equal 100)



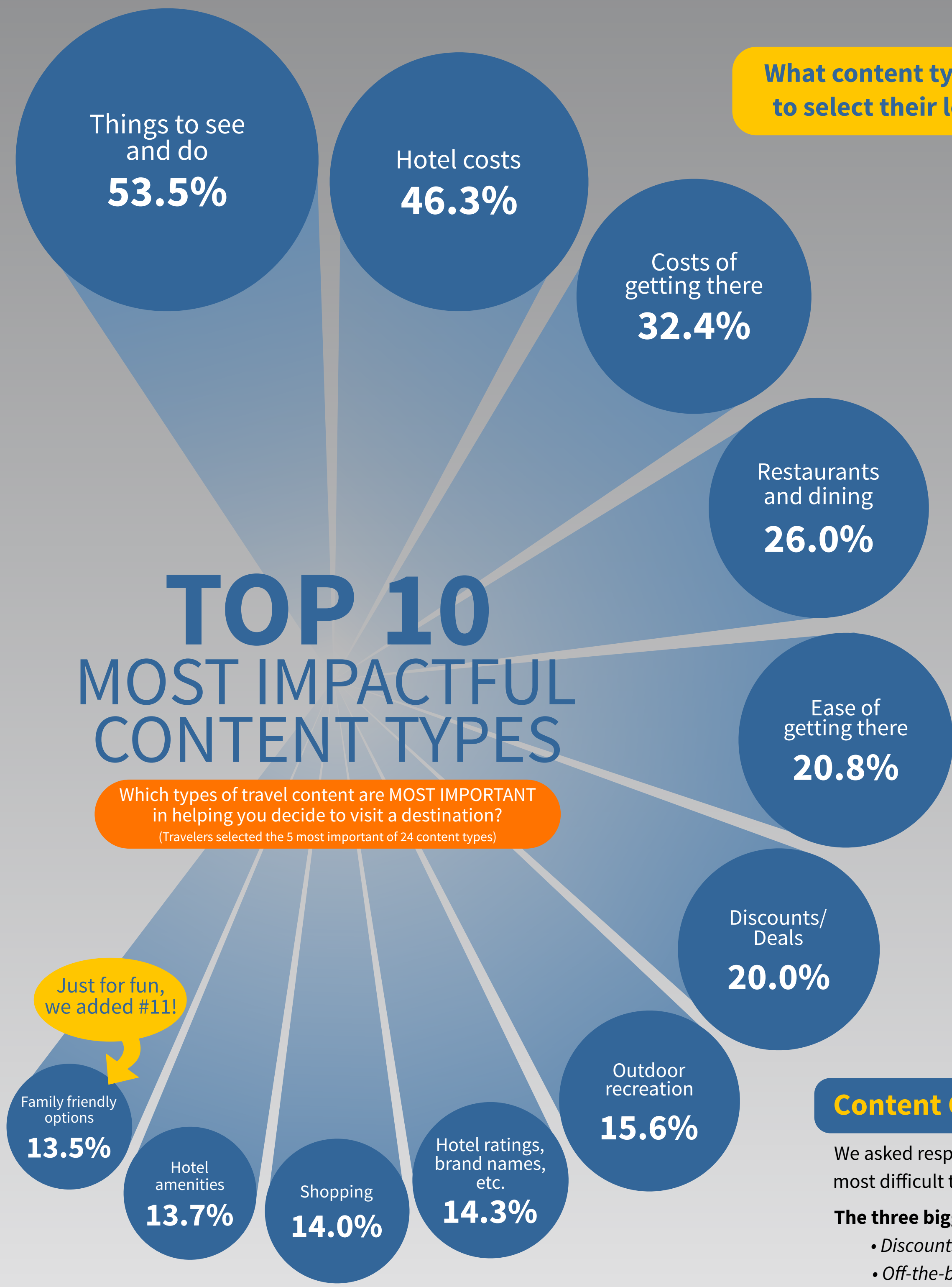
Q What percentage of your travel planning is done using each of the following while on your trip?

(Total must equal 100)



DESTINATION SELECTION
THE IMPORTANCE OF CONTENT

What content types do travelers use to select their leisure destinations?



IDEA:
The art of persuasion

As a DMO tries to persuade travelers to visit, the most likely path to success may be highlighting (in an impactful way) the most unique and appealing things to do along with lodging and transportation costs. Rounding out the top content types are "Arts and culture" (12.1%), "Traveler reviews and ratings (8.5%) and "Events calendars" (8.4%).

Content Gaps!

We asked respondents what are generally the most difficult types of information to find.

The three biggest content gaps are:

- *Discounts or deals*
- *Off-the-beaten-path activities*
- *Things to see and do*

These clearly fit with DMO's niche and expertise. Why not fill this gap by providing it to your content users?

THE USE OF DMO CONTENT

How do leisure travelers perceive Destination Marketing Organizations (DMOs)? How do they use the the diverse content they provide? Approximately 30 percent say they have used a DMO website in the past year, and that they most commonly use this content before deciding to visit a destination. Most travelers see DMO content as trustworthy, up-to-date and easy to use. The content provided by these organizations is not, however, seen as particularly innovative or cutting edge.

IS THIS THE INDUSTRY'S NEXT CHALLENGE?

1 OUT OF **3**

US Leisure travelers have used a **DMO WEBSITE** in the past year

6 OUT OF **10**

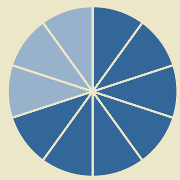
Used them **BEFORE** selecting the destination

1 OUT OF **2**

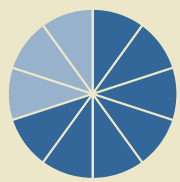
Used them **AFTER** selecting the destination

1 OUT OF **10**

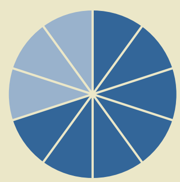
Used them while at the destination



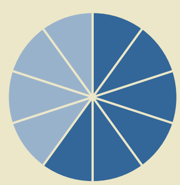
70% say DMO content is "Trustworthy" or "Very trustworthy"



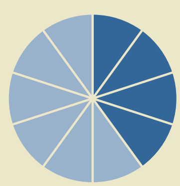
70% say DMO content is either "Always" or "Usually" up-to-date



70% say DMO content is either "Easy" or "Very easy" to use



60% say DMO content is usually "Important" or "Very important" to their planning



40% say DMO content is either "Always" or "Usually" innovative or cutting edge

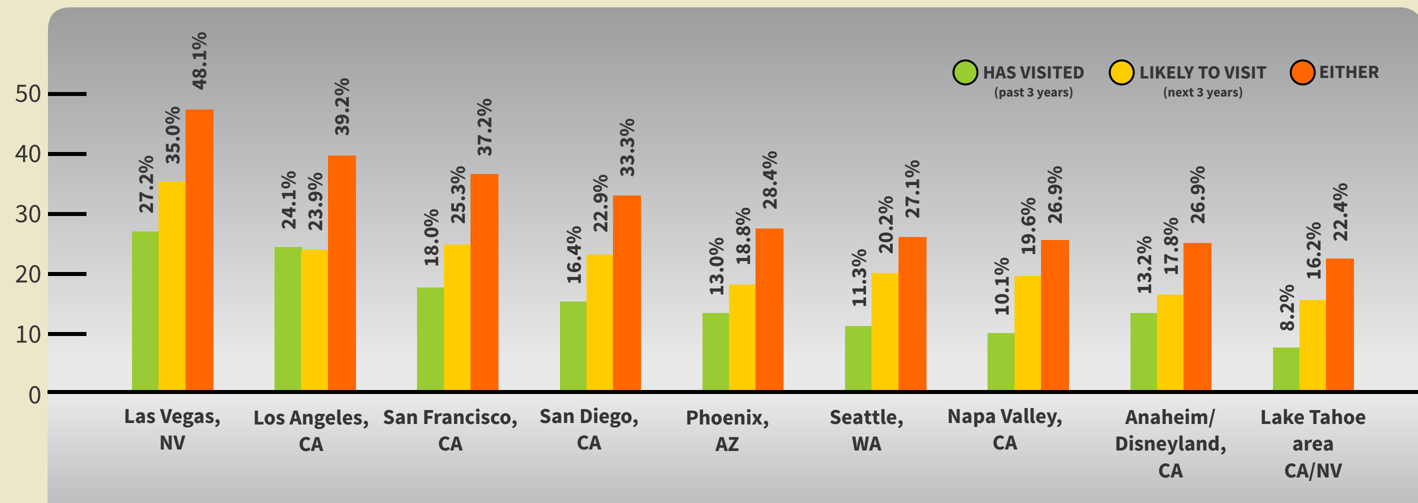
* Questions asked of all respondents

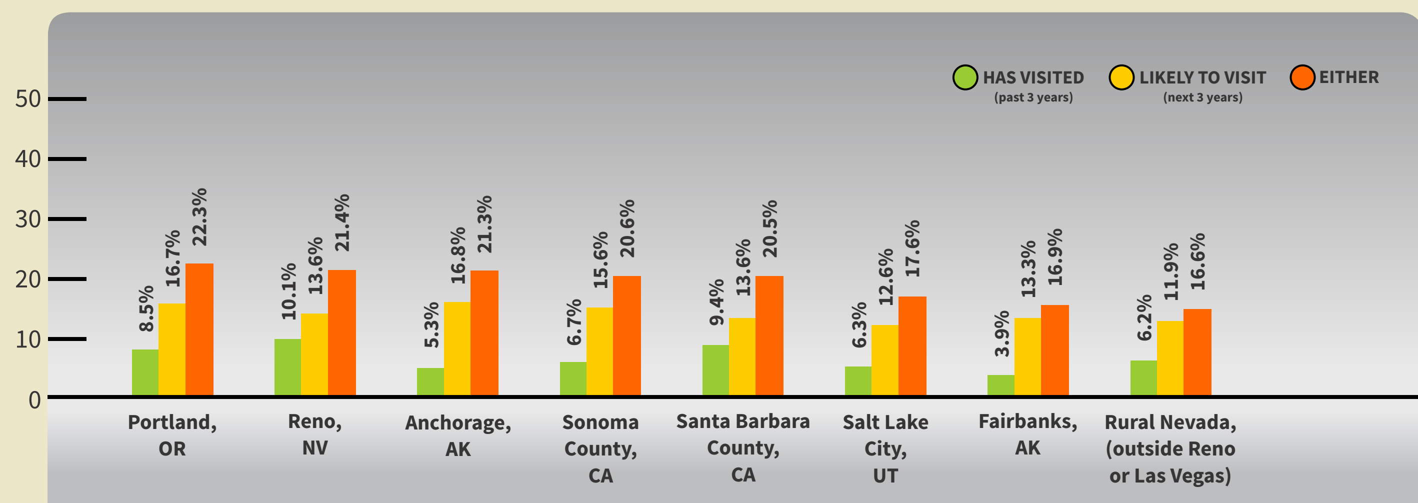
Destinations Visited and Intent to Visit

(Selected Destinations)

American leisure travelers show markedly varied interest in domestic destinations. In our January State of the American Traveler survey, respondents were asked which destinations they had visited (in the past three years) for leisure reasons, and which they were likely to visit in the upcoming three years. The tables below show the proportion of American leisure travelers traveling to and likely to visit each of selected destinations.

Western States

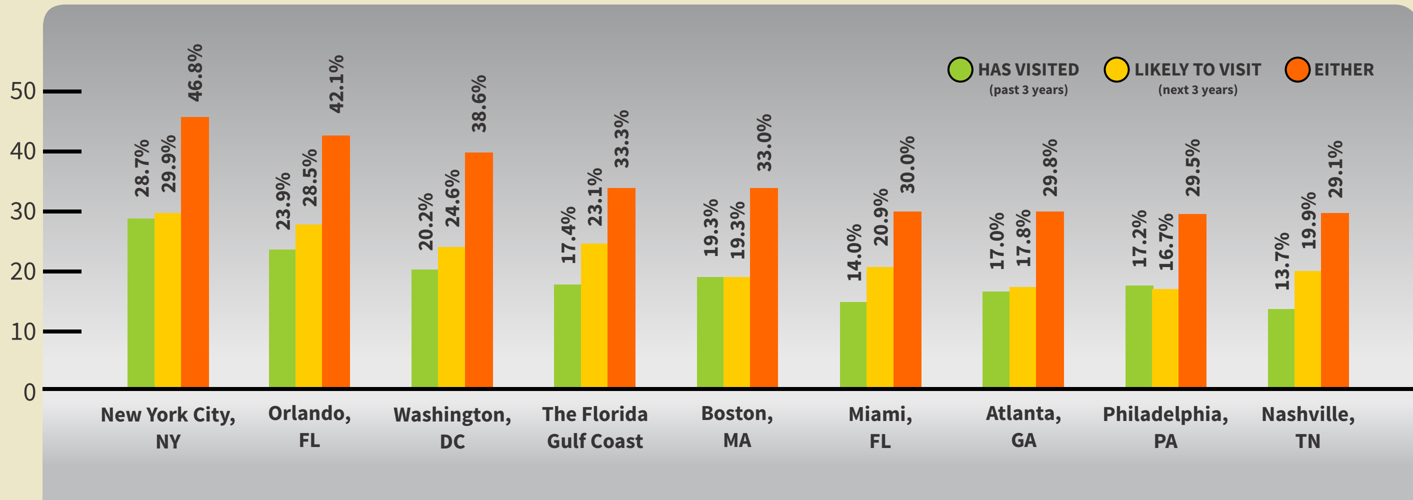


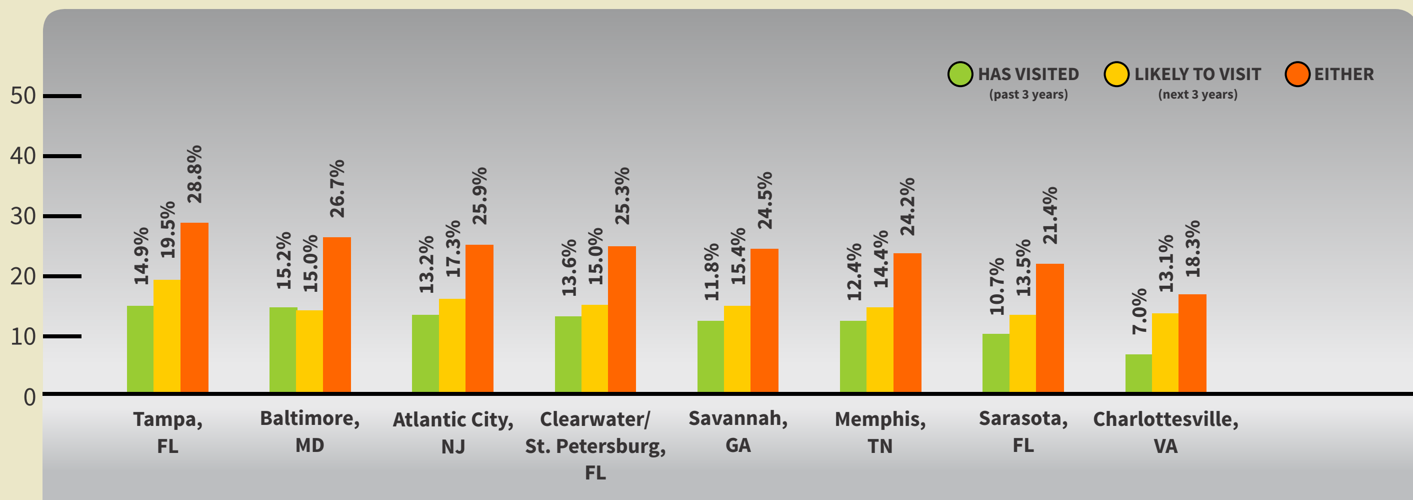


Destinations Visited and Intent to Visit (cont.)

(Selected Destinations)

Eastern States





Destinations Visited and Intent to Visit (cont.)

(Selected Destinations)

Central States