THE STATE OF THE AMERICAN TRAVELER

Destination Analysts

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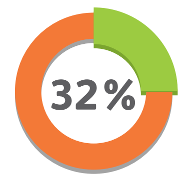
Sponsored By miles marketing destinations

Americans' Travel Expectations Remain Steadily Positive

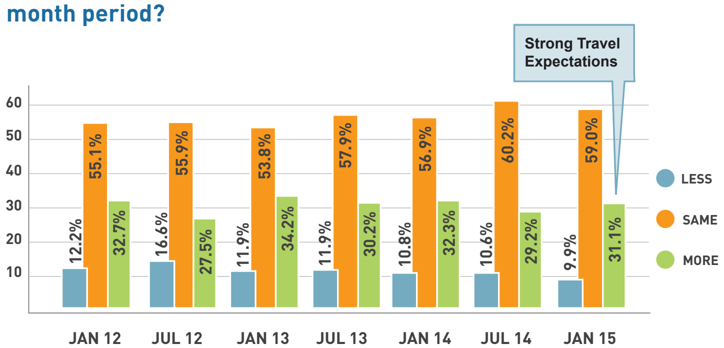
America's love affair with leisure travel remains strong. Our most recent travel sentiment tracking study shows leisure travel expectations are continuing the pattern of stability seen in recent years. The State of the American Traveler™ results for January show that optimism about upcoming leisure travels has grown slightly since last summer. The proportion of leisure travelers expecting to travel more *(continued on page 2)*

SNAP SHOT

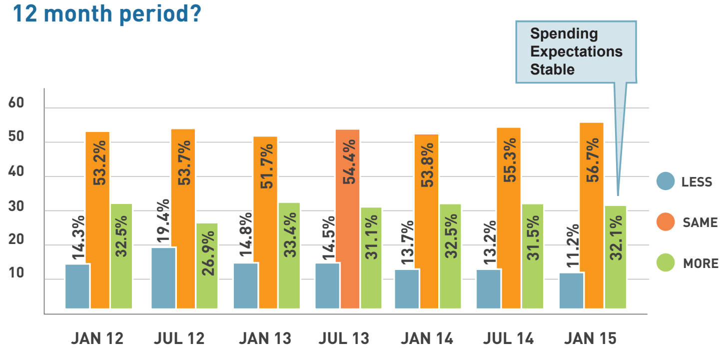
Americans planning to **increase** leisure travel **spending** in the next 12 months



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

While we took an average of 4.3 leisure trips last year, our travels are varied. Highlights of how Americans traveled in the past twelve months follow.

44% Day Trips of all trips were day trips, with no overnight stay. Nearly half of travelers (47.3%) only took overnight trips.

25% Plane Trips of all trips included air travel. However, more than half (53%) of American travelers did not fly for leisure trips during the year.

72% Car Trips of all leisure trips were by car. Car continues to be king in the American travel landscape, with 85% of travelers taking at least one road trip annually.

23% International Trips of American travelers ventured abroad for leisure reasons last year, averaging 2.1 trips to foreign destinations.

15% Cruise Trips of Americans took a cruise (one night or more aboard). Many of these travelers take more than one cruise a year. The average cruiser took two such trips.

13% Leisure Trips of Americans took a leisure trip by train last year. Train travel is popular with this group, who averaged 2.4 rail trips during the year.

Americans' Travel Expectations Remain Steadily Positive *(continued from page 1)*

in the upcoming year is at 31.1 percent, up from 29.2 percent last summer. Spending expectations are also up, with 32.1 percent expecting to increase their leisure travel spending in the coming year. This compares to 31.5 percent 6 months ago.

While in this survey somewhat fewer overall trips were reported by travelers, the outlook for the coming year, is unquestionably bright. The industry is poised for a stronger than normal performance this off season, and conditions are optimal for increasing travel volume and spending this year. Driven by an improving labor market and sharply lower gasoline prices and the very significant bump this will provide to consumers' pocketbooks, travel should be brisk.

In this most recent edition of our survey, far 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 26.4 percent of travelers said that the expense of gasoline has kept them from traveling more, compared to 32.9 percent one year ago. The recent steep drops in gas prices clearly support this situation, and we expect this figure to improve more if gas prices remain subdued for a significant length of time. Not only do lower gas prices make travel cheaper, the average American household will save over $1,000 a year if gas stays at current levels. This is disposable income that can and will be spent on other things, like travel.

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)

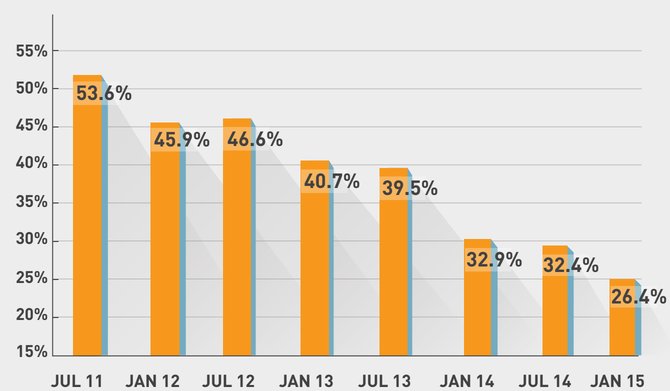
- Look for travel discounts or bargains ____ 39.7%
- Visit generally less expensive destinations ____ 16.0%
- Take at least one "staycation" (a vacation spent at home) rather than traveling ____ 13.1%
- Reduce the number of leisure trips I will take ____ 11.9%
- Reduce the number of total days I will spend on leisure trip(s) to save money ____ 11.6%
- Shorten the distance of my trip(s) or reduce side trips along the way to save money ____ 9.5%
- Select less expensive mode(s) of transportation ____ 5.5%

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 6th to 10th, 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, 2,498 leisure travelers completed the survey. With this sample size, the top line data presented here can be considered to have a reliability of +/- 1.96%. 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.

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%

GASOLINE PRICES AND LEISURE TRAVEL
A five year brightening trend



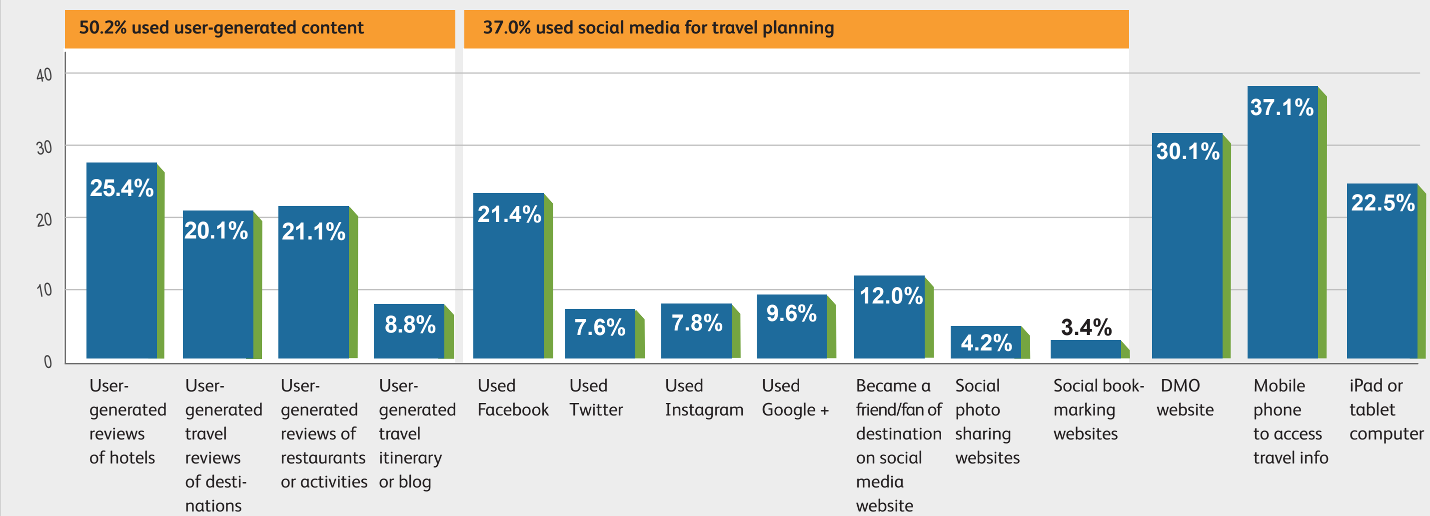
GASOLINE COSTS AS AN IMPEDIMENT TO LEISURE TRAVEL PLUMMETS

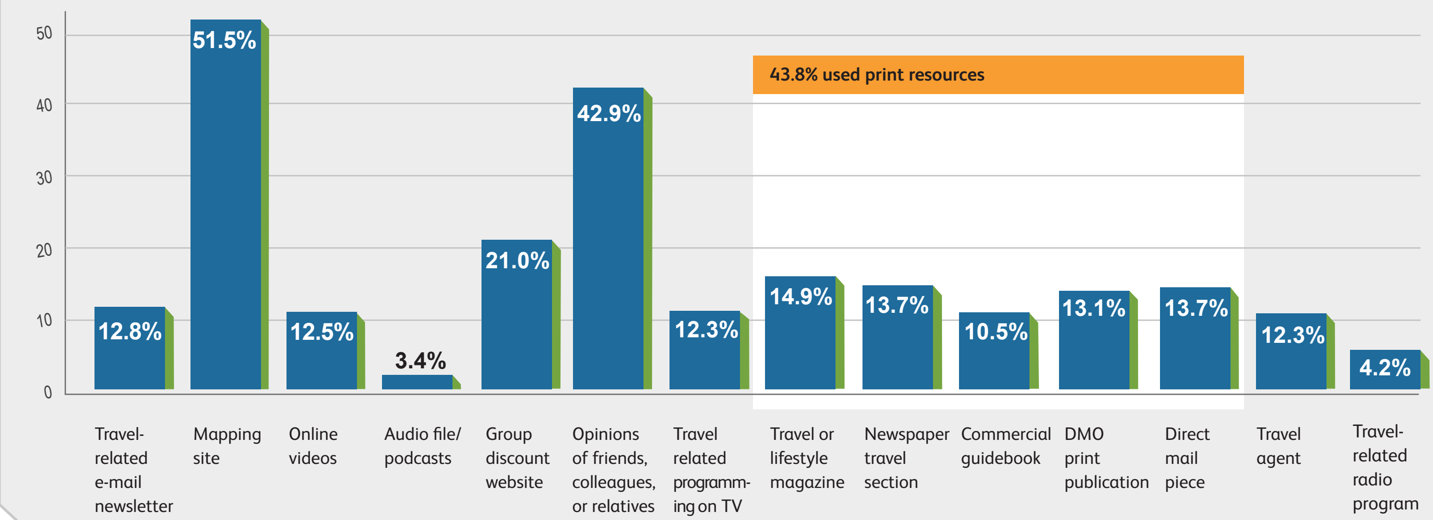
In a strongly positive sign for the industry, far fewer American travelers are now saying that high gasoline prices are causing them to cut back on their travels. As shown on page 1, three out of four leisure trips are taken primarily by car, so gas prices really matter. Falling gas costs are causing this factor to become far less important to the decision to travel. 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 26.4 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)





Usage of Official Destination Websites

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?

(Select all that apply)

YES	30.1%
NO	66.5%
I Don't Know	3.5%

Q

At which point in your travel planning did you use the website of a destination's Visitors or Convention Bureau (or Chamber of Commerce) or state or national government travel office?

(Select all that apply)

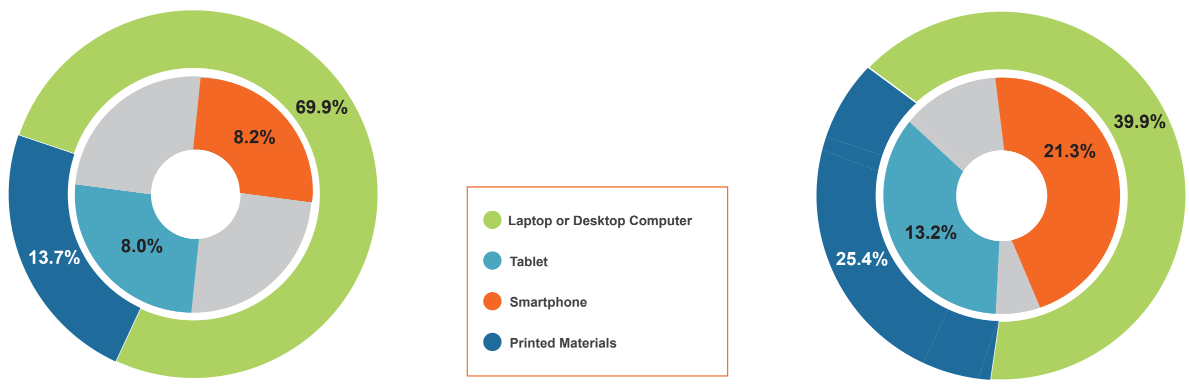
Before I had decided to travel to the destination	63.2%
After I decided to travel to the destination	47.4%
While I was in the destination on my trip	13.3%

Travel Planning: Mobile versus Desktop

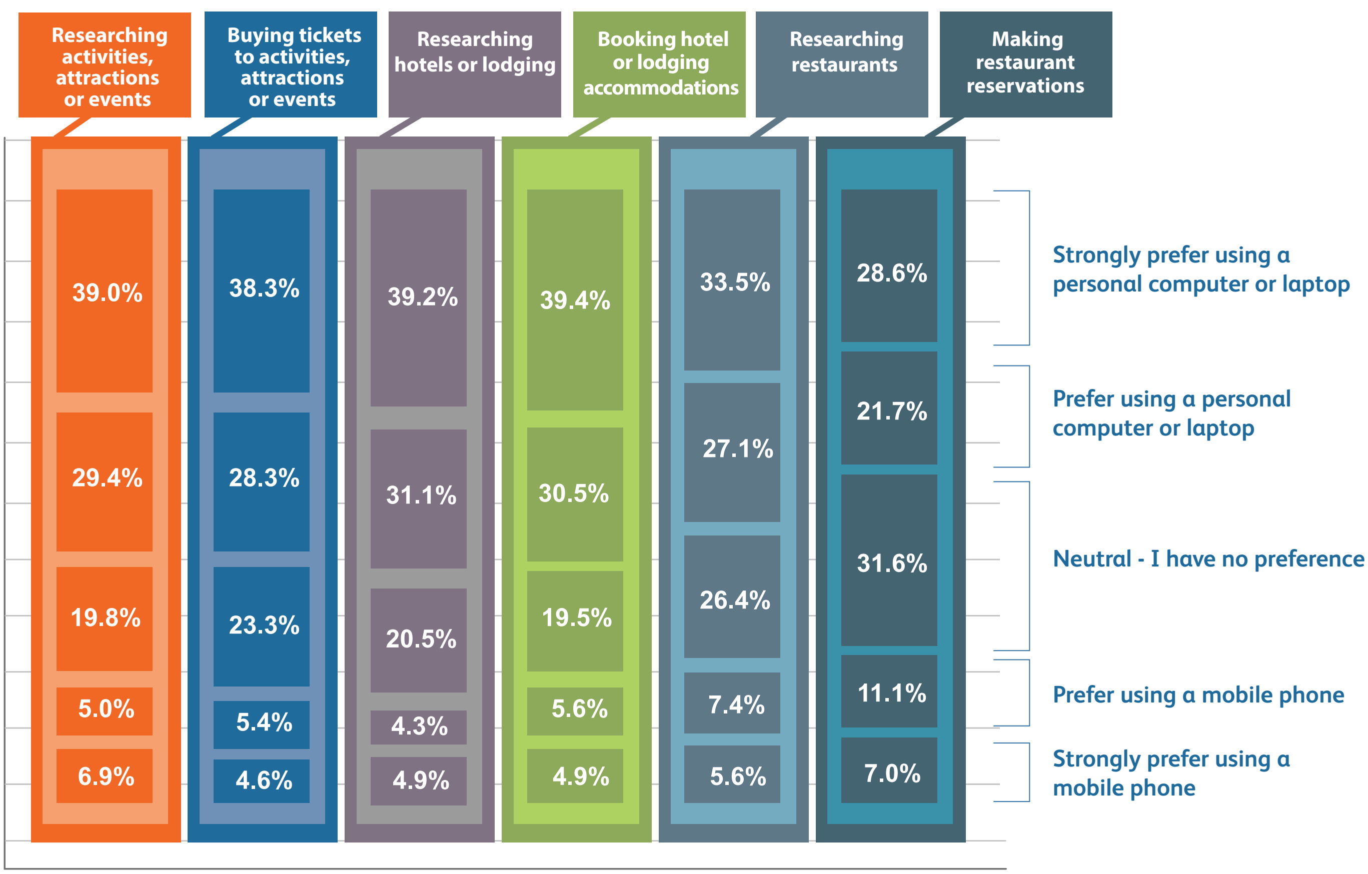
The extraordinary growth in mobile phones and compatible online content has users relying more and more on these devices. The use of mobile devices in travel is broad, with 37 percent of travelers using them for trip planning. However, in terms of traveler preference, mobile phones have yet to dethrone more traditional travel planning devices. The charts below show that travelers not only do more of their pre-trip planning on traditional computing devices, they clearly prefer them as a planning tool. Our qualitative research suggests that screen size and clumsy mobile user experiences are often the core reasons for this preference. As travel marketers continue to optimize for mobile, we will likely see this shift.

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

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



How Americans Prefer to Plan Their Travel



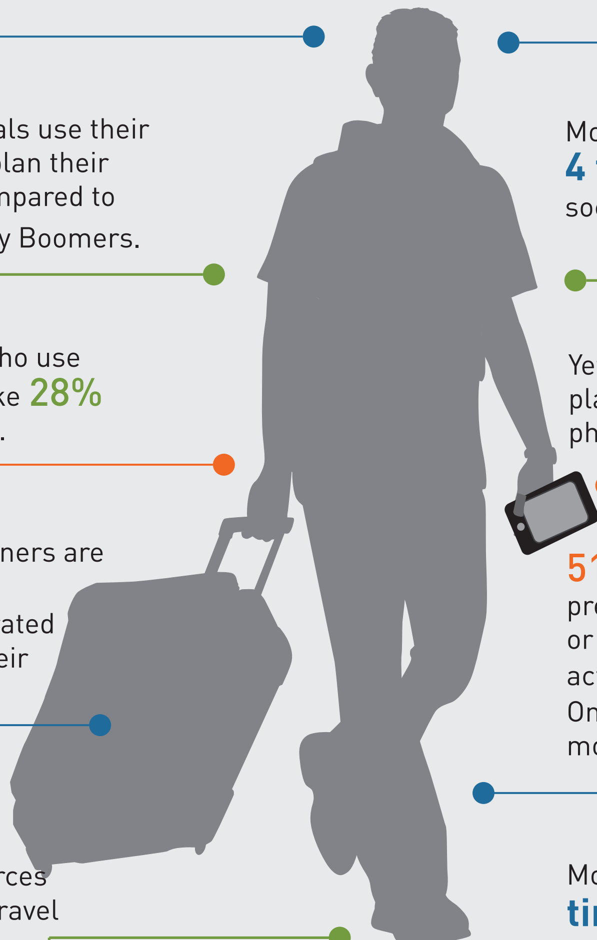
Question: If you were given the choice of using a mobile phone or a desktop or laptop computer, which would you generally prefer to use for each of these travel planning tasks?

Who plans travel on

Mobile Phones

in America?

In many interesting ways, Americans who use their mobile phone to plan their travels differ from those who do not use a mobile phone for trip planning. Here are a few:



70% of Millennials use their mobile phone to plan their leisure travel, compared to only **23%** of Baby Boomers.

Mobile travel planners are **4 times as likely** to use social media for travel planning.

Travel planners who use mobile devices take **28%** more leisure trips.

Yet, only **17%** of their travel planning is done on a mobile phone.

Mobile travel planners are **74%** more likely to use user-generated content to plan their travels.

51% of mobile planners actually prefer using a traditional desktop or laptop device to research travel activities, attractions or events. Only **27%** generally prefer using a mobile phone.

They are also **54%** more likely to use print resources than non-mobile travel planners.

Mobile planners are **nearly 2.5 times as likely** than others to say losing their mobile phone would be a "very emotionally difficult experience."

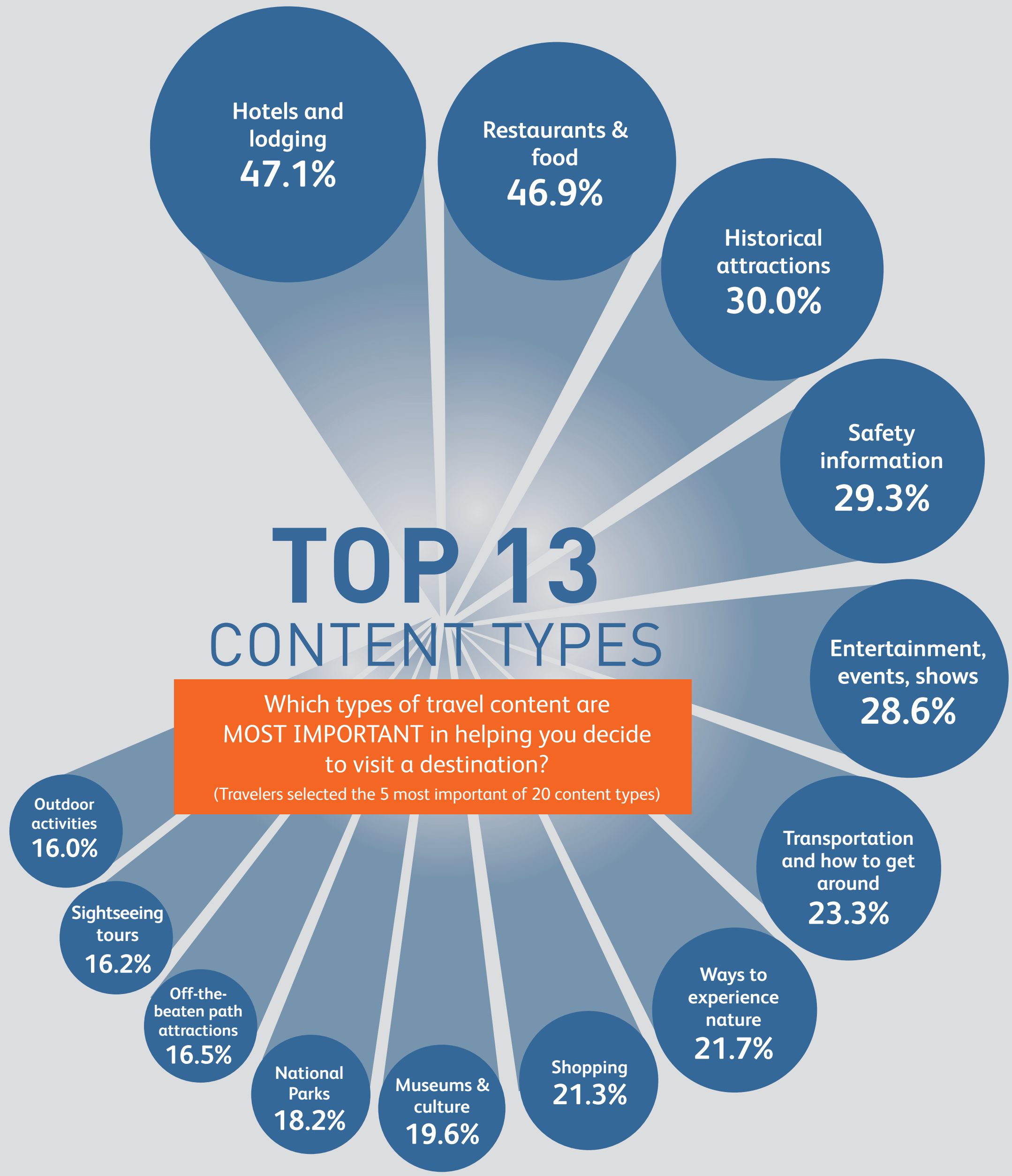
Mobile planners are **13%** more likely to have at least a college degree, and are more likely to be urbanites **(31% vs. 19%)**.

Mobile planners are optimistic about travel, being nearly twice as likely than others to be planning more trips in the next year than they took in the last year **(47% vs. 22%)**.

DESTINATION SELECTION

CONTENT THAT DRIVES DESTINATION CHOICE

What content types do travelers use to evaluate leisure destinations?



PERSPECTIVE:

When evaluating potential destinations for leisure travel, travelers are first focused on content that shows them where they will sleep and what they will eat. Lodging offerings and a destination's restaurants and food scene are the top content travelers desire in their assessment. After these, a variety of "things to do" type content become influential—from historical attractions to entertainment and events. In a similar question asked on last year's survey, hotel and transportation costs were shown to be key content influencing destination decision. When cost is removed as a factor (as in this year's question), other content rises in importance.