Destination Analysts'

The State of the American Traveler™

DESTINATIONS EDITION

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Destination Analysts

The Destinations Edition

THIS EDITION of *The State of the American Traveler™* explores contemporary travelers' relationships with destinations. As always, we begin with a look at the current leisure travel landscape, which is marked by considerable current optimism for future travel and travel spending. Americans are not only expecting to consume more travel product, they are feeling less constrained by factors such as personal finances and travel costs. This edition, in addition to exploring travel content used to make destination decisions, looks at the types of destinations Americans are wanting to explore in the near-term future. Our Travel Excitement Index shows continued strong enthusiasm for beach destinations and urban escapes, with a notable uptick in excitement this year for visiting National Parks. Please enjoy. As always, if you have questions or ideas for future survey topics, we welcome you to message us: info@destinationanalysts.com or @DA_Research.

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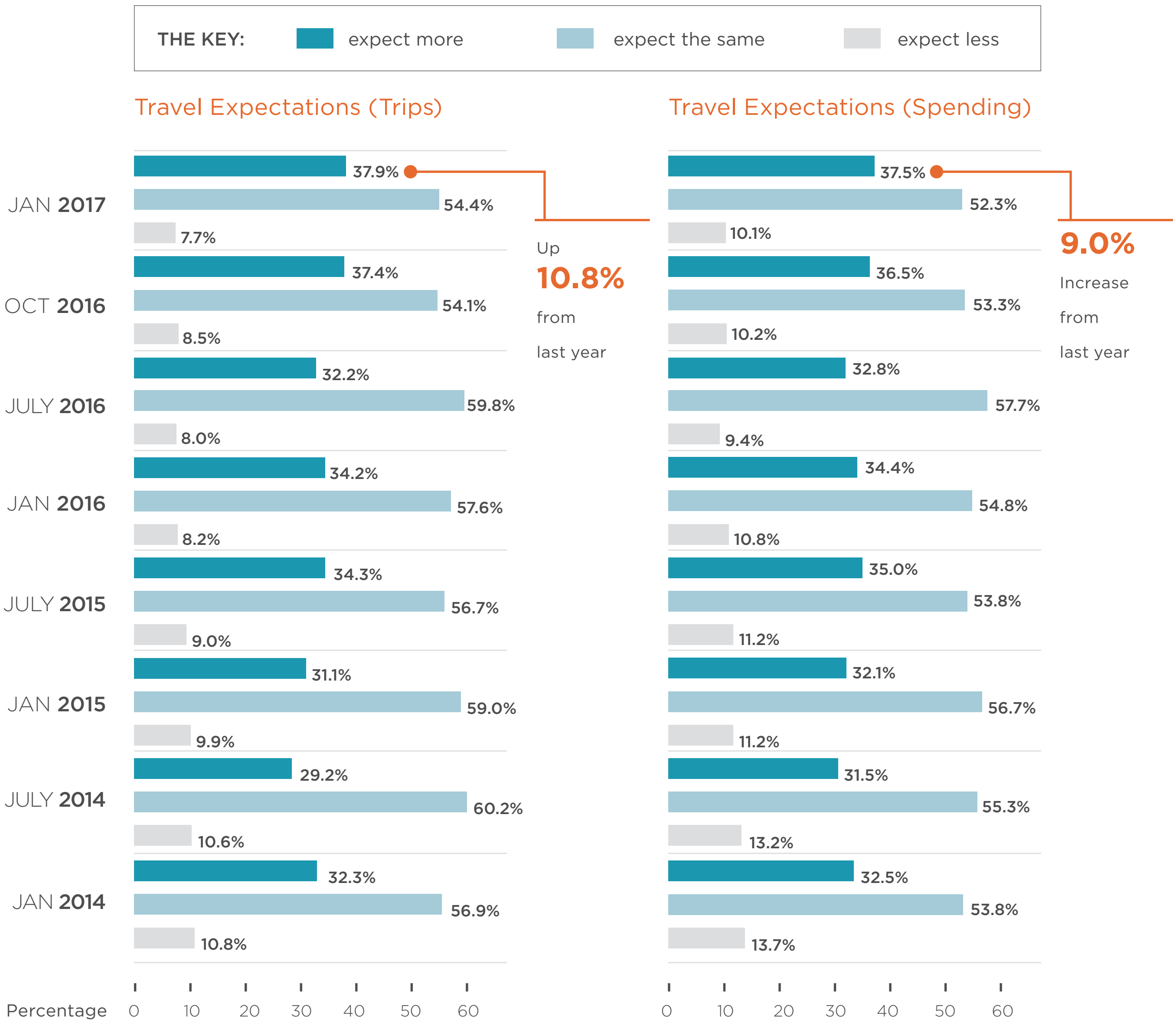
Methodology

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 7th to the 11th, 2017, 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, 2,020 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.

Contents

1 Travel Expectations & Travel Spending Expectations

AMERICAN LEISURE TRAVEL EXPECTATIONS continue to be exceedingly healthy, showing a striking American optimism for near-term future leisure travels. As discussed in recent previous editions, travel expectations have continued on a stable positive path as of late. In January our national tracking survey again registered a strong movement in the proportion of Americans expecting to travel more in the coming year. This remarkable optimism about upcoming leisure travel is shown by a record 37.9 percent of American travelers saying they expect to travel more for leisure in the upcoming year, up from 32.4 one year earlier. Travel spending expectations are also high, suggesting the outlook for domestic leisure travel is bright.



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?

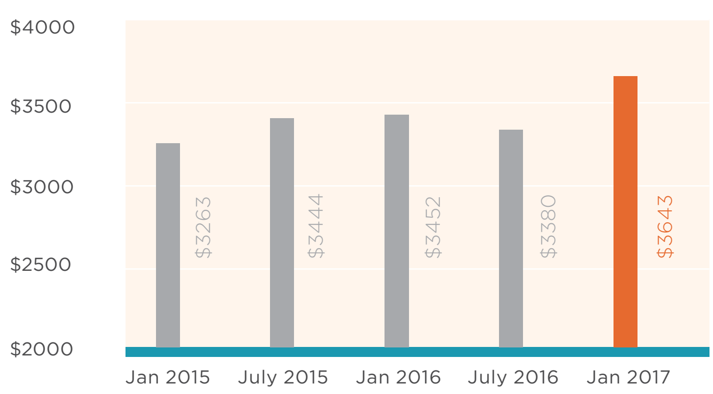
Q: In the next 12 months, do you expect to spend more or less for leisure travel than you did in the most recent 12 month period?

2.1 Travelers have bigger budgets but still say finances keep them at home.

To fully understand the current travel climate, we also need to look at the factors that keep Americans from traveling. While a variety of factors come into play, personal finances are, by far, the most important factor constraining American leisure travel. In this most recent survey, 37.6 percent of American leisure travelers reported that "personal financial reasons" had kept them at home, to some degree, in the past year. The demands of the workforce are also a significant player. Nearly one-third of Americans say that either being "too busy at work" (20.8%) or "not having enough vacation time" (16.2%) kept them at home. Travel prices also have an impact. About 30 percent of travelers report that gasoline (15.6%) or airfare (21.0%) being too expensive kept them at home.

A consistent downward trend in negative pressures from finances and travel prices is shown in the graphics below. Diminished concerns about personal finances have resulted in increased spending expectations. The typical American expects to spend fully 10 percent more on leisure travel this year than they did just two years ago.

Travel budgets up 10% in past 2 years



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?

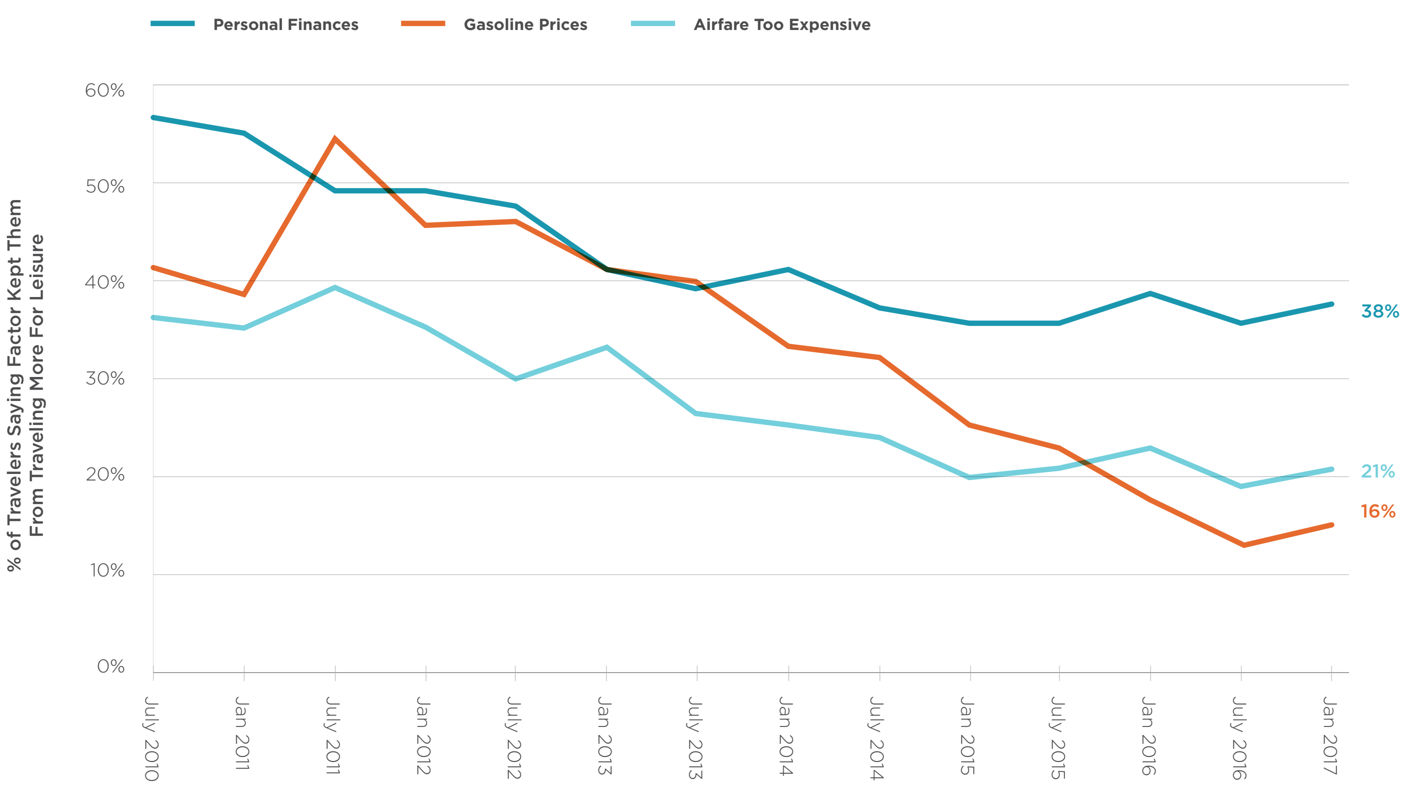
Impediments to Travel

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)

2.2

Personal finances most affected travelers' plans to travel in 2016

Percent of Leisure Travelers saying factor kept them from traveling more for leisure than they would have otherwise preferred.

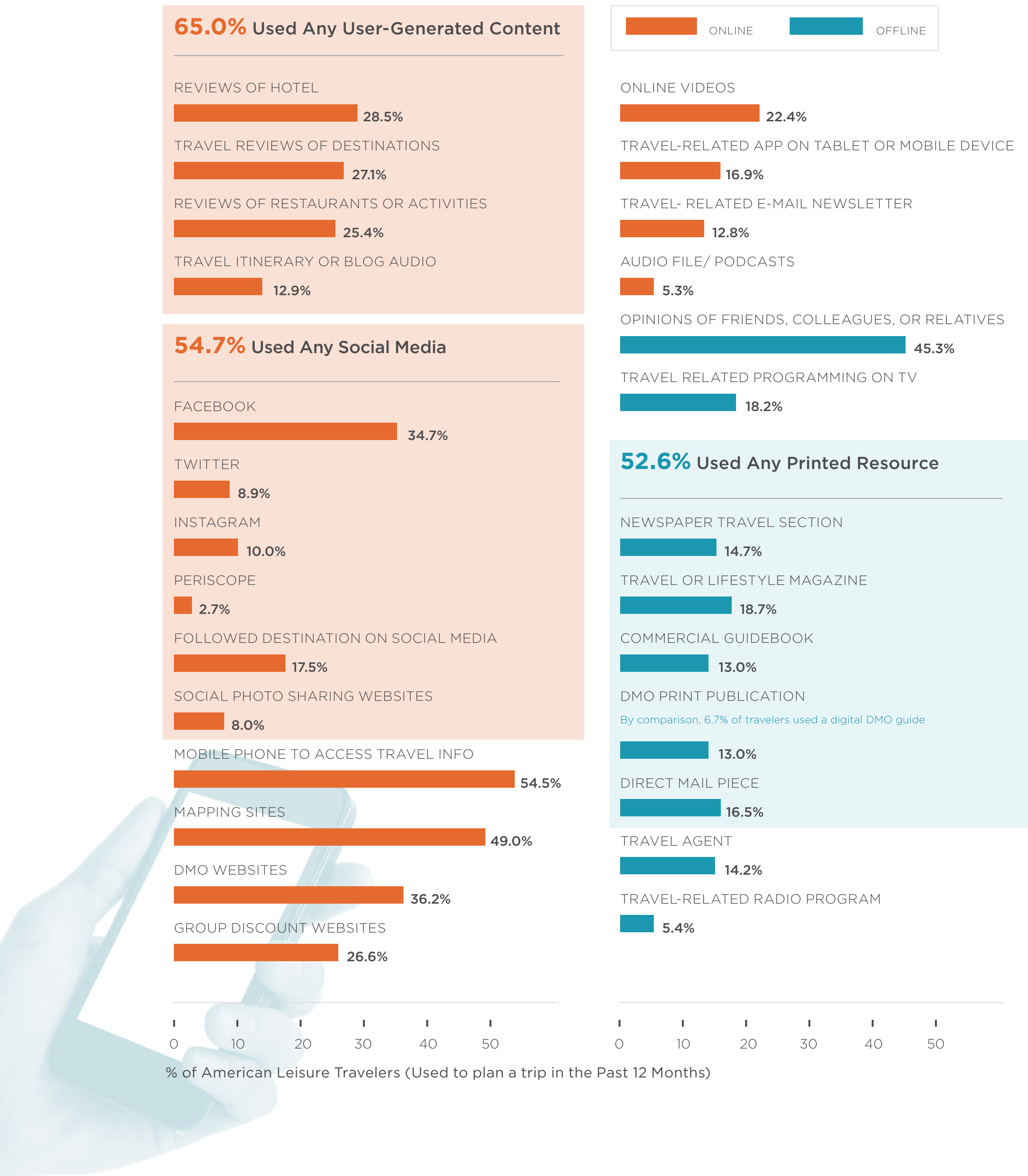


	July 2010	Jan 2011	July 2011	Jan 2012	July 2012	Jan 2013	July 2013	Jan 2014	July 2014	Jan 2015	July 2015	Jan 2016	July 2016	Jan 2017
Personal Finances	56%	55%	49%	49%	48%	41%	39%	41%	37%	36%	36%	39%	36%	38%
Gasoline Prices	41%	39%	54%	46%	47%	41%	40%	33%	32%	26%	23%	17%	13%	16%
Airfare Too Expensive	36%	35%	39%	35%	30%	33%	27%	26%	24%	20%	21%	23%	19%	21%

3.1 Travel Media & Technology

Resources & 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)

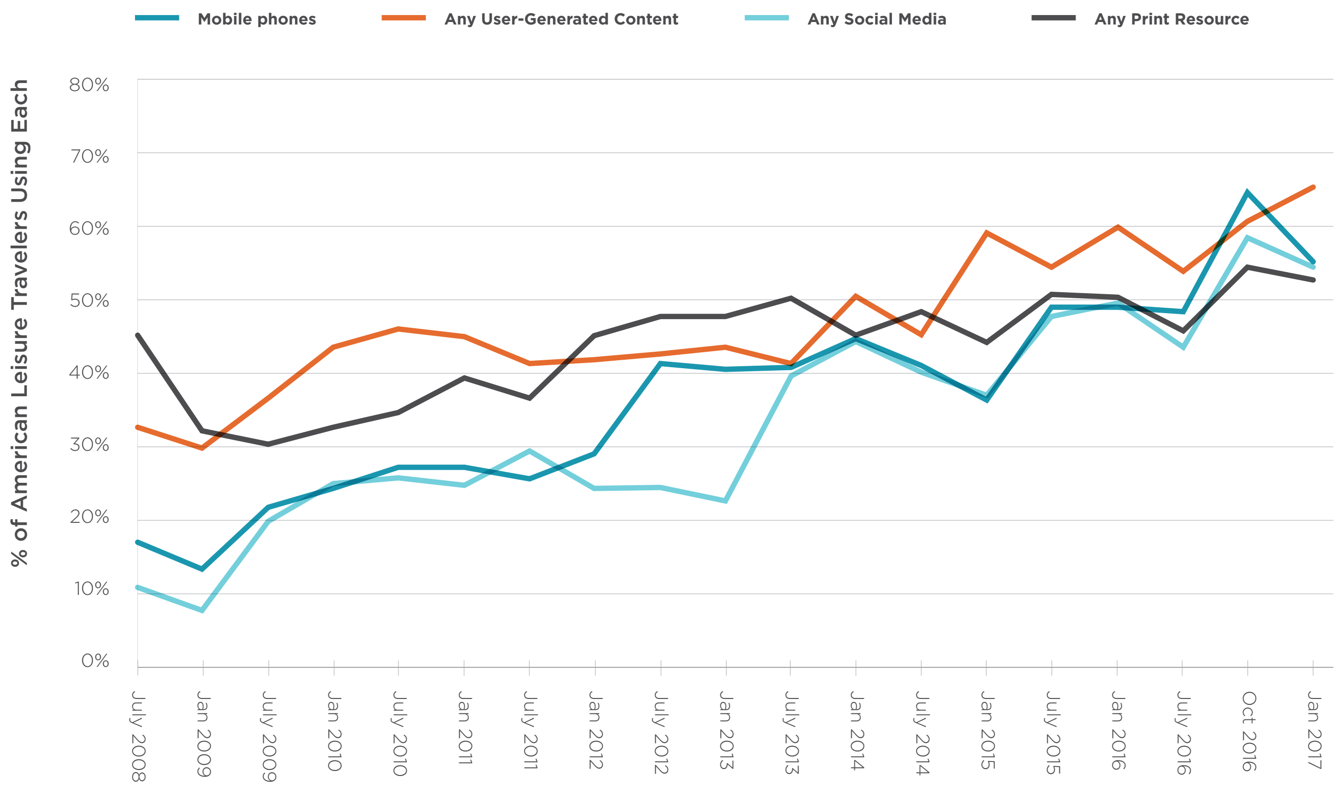


3.2

Travel Planning Resources

Emergence of the Hyper-informed Traveler

The past decade has seen growth in traveler usage of many content types. While fluctuation in these time series is frequently seen, U.S. leisure travelers have certainly increased their consumption of social media, user-generated content and print resources. Use of mobile devices has, of course, also blossomed. The key characteristic of the modern, hyper-informed traveler is demand for traveler content across media and distribution methods.



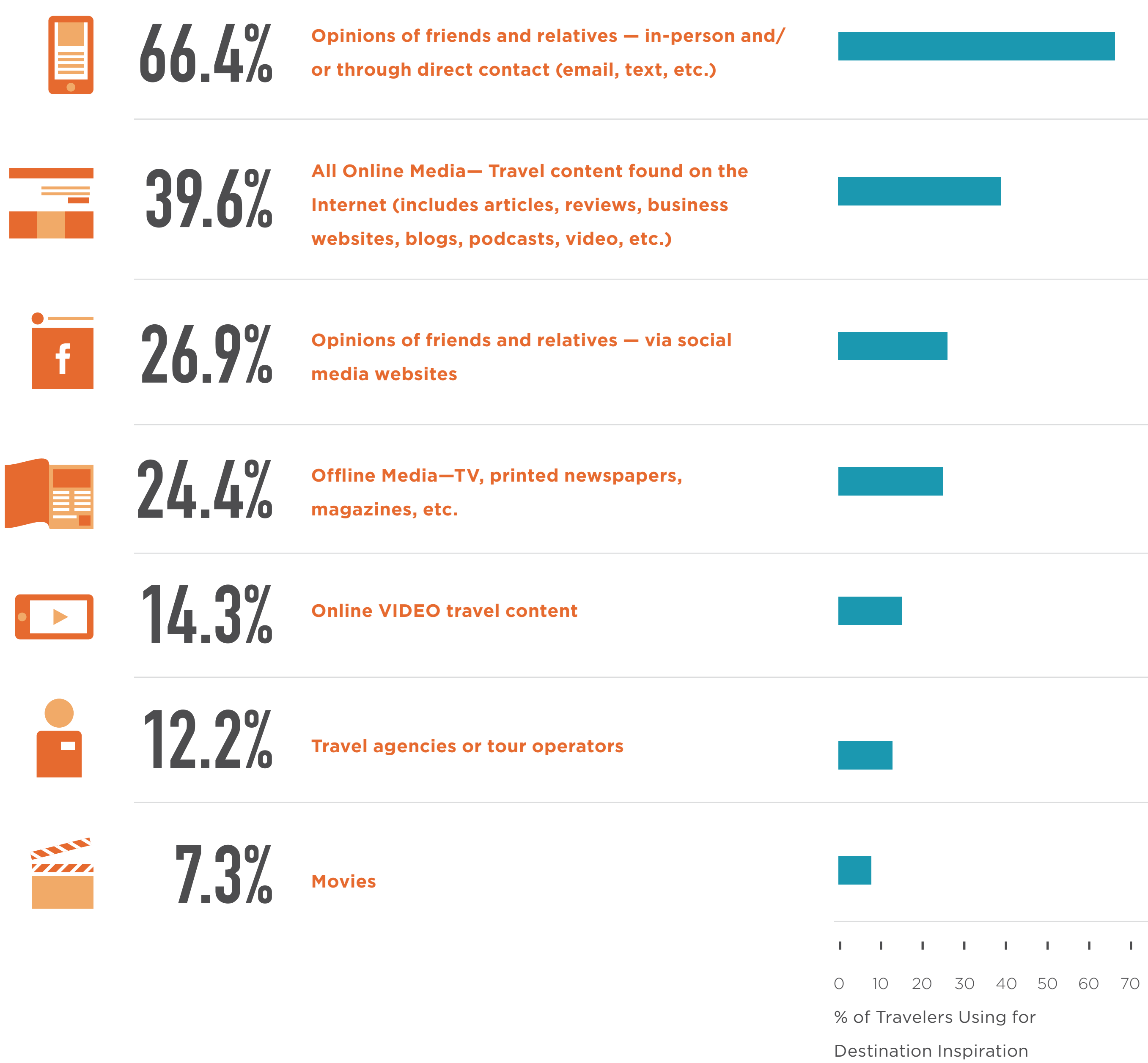
	July 2008	Jan 2009	July 2009	Jan 2010	July 2010	Jan 2011	July 2011	Jan 2012	July 2012	Jan 2013	July 2013	Jan 2014	July 2014	Jan 2015	July 2015	Jan 2016	July 2016	Oct 2016	Jan 2017
Mobile phones	17.2%	13.4%	21.7%	24.0%	28.0%	28.0%	26.4%	29.4%	41.3%	40.6%	41.0%	45.0%	40.6%	37.1%	49.6%	49.4%	48.9%	63.7%	54.5%
Any User-Generated Content	33.9%	30.0%	37.0%	43.5%	42.9%	43.5%	45.7%	46.9%	41.0%	41.4%	42.5%	43.7%	41.3%	50.2%	45.5%	59.4%	53.9%	60.2%	65.0%
Any Social Media	10.7%	8.5%	19.9%	25.8%	26.2%	25.8%	29.2%	24.5%	24.6%	22.5%	39.6%	44.3%	40.1%	37.0%	48.1%	49.8%	43.8%	58.2%	54.7%
Any Print Resource	45.5%	33.3%	30.9%	33.6%	34.8%	39.7%	37.0%	46.0%	48.7%	48.7%	50.1%	45.1%	49.1%	43.8%	50.6%	50.3%	46.1%	54.1%	52.6%

3.3
Destination Selection

Where do travelers look for inspiration?

Word of mouth is still the most important way people learn about and find inspiration for deciding where to visit. Two thirds of American travelers (66.4%) say they rely on the in-person opinions of friends and relatives, while nearly 40 percent get this information from social media. The Internet is also a major player, with 61.9 percent saying they get their destination inspiration from one of the three primary digital resources tracked (online media, social media or online video.)

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 The Top 20: Destination Hotlist

Las Vegas and France are List Toppers

In our most recent survey, Las Vegas continued its reign as the most desired American destination, but France, for the first time emerged at the top of the International hotlist. These data result from an open ended survey question asking respondents to write in the five domestic (and five foreign) destinations they most want to visit in the upcoming year.

Domestic Hotlist

% of American Leisure Travelers

LAS VEGAS	**19.4%**
NEW YORK CITY	**18.4%**
ORLANDO/DISNEY WORLD	**12.4%**
FLORIDA	**10.1%**
LOS ANGELES	**7.5%**
HAWAII	**7.0%**
CALIFORNIA	**6.7%**
CHICAGO	**6.3%**
SAN FRANCISCO	**6.2%**
MIAMI	**6.1%**
WASHINGTON DC	**5.6%**
GRAND CANYON NP	4.8%
SAN DIEGO	4.7%
YELLOWSTONE NP	4.5%
NEW ORLEANS	4.1%
MYRTLE BEACH	3.6%
BOSTON	3.3%
ATLANTA	3.1%
SEATTLE	3.0%
DENVER	2.7%

International Hotlist

% of American Leisure Travelers

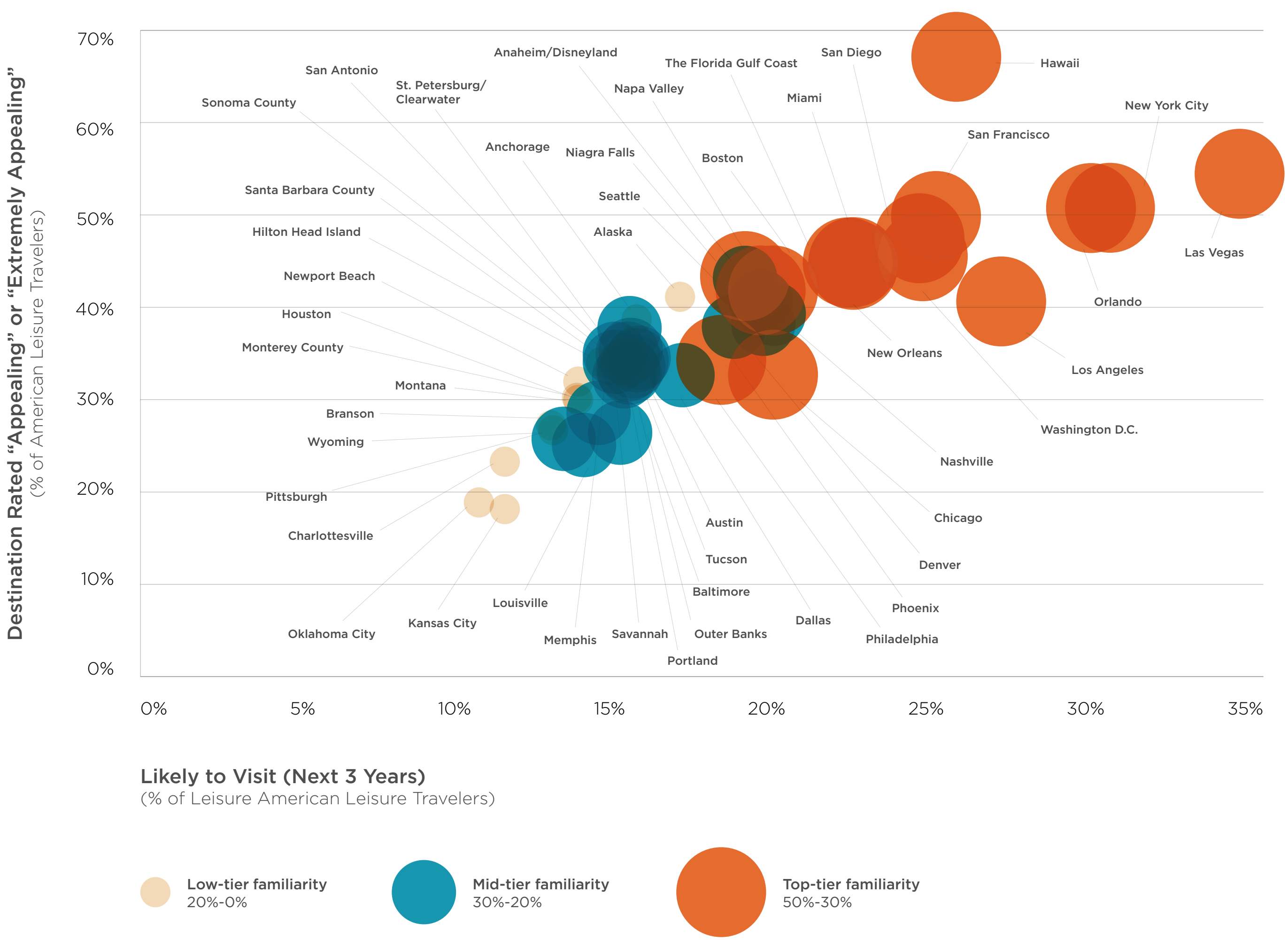
FRANCE	**12.3%**
ITALY	**11.7%**
UNITED KINGDOM	**11.4%**
MEXICO	**10.3%**
CANADA	**9.8%**
JAPAN	**7.3%**
GERMANY	**5.6%**
SPAIN	**5.3%**
IRELAND	4.5%
AUSTRALIA	4.4%
CHINA	3.1%
JAMAICA	3.1%
BAHAMAS	2.7%
GREECE	2.0%
BRAZIL	1.8%
SWEDEN	1.2%
HOLLAND	1.2%
NEW ZEALAND	1.1%
SWITZERLAND	1.1%
INDIA	0.7%

5

Destination Brand Performance

Familiarity, Appeal and Likelihood of Visitation

Leisure travelers' opinions vary regarding the diverse and amazing array of American destinations. They rate destinations very differently for their appeal, familiarity and interest in visiting. Some are well-known and liked, while others are virtually hidden secrets. The scatter diagram below shows a selection of the 65-plus destinations we track in this survey ranked by appeal and likelihood of visitation. Bubble size represents traveler familiarity with the place as a leisure destination. While the correlation between a destination's appeal and traveler likelihood of visiting is obvious, comparing destinations in detail reveals the complexities of their brand positions. For complete detail visit: www.destinationanalysts.com/SATS/destinationappeal2017



*Bubble placement is approximate

6 Destination Excitement Index

Beaches continue to generate excitement

As was the case last year, beach destinations and resorts generate the highest level of overall destination excitement. Also as last year, beaches will be visited less than urban (and even small town/rural) destinations.

Our Destination Excitement Index™ measures Americans' collective enthusiasm for different destination types. In this edition of the survey, "Beach Destinations and Resorts" outpaced all other destination types. On a 100-point scale, beach destinations scored 74 (up 4.2% from 2016), indicating high levels of eagerness to visit. U.S. National Parks came in as the second most exciting destination type. The average leisure traveler will visit 2.0 small towns or rural destinations and 1.6 cities this year. Meanwhile, 56.0% of American travelers will visit a beach destination in 2017.