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 American travelers' relationships with destinations. We start with an examination of the current leisure travel landscape, which continues to be supported by an optimistic traveling public. Demand for leisure travel in America remains robust, with sky high travel budgets and near record levels of Americans expecting to increase the number of trips taken this year. In addition to exploring travel content and destination selection, this report examines the types of destinations Americans are wanting to explore in the near-term future with Destination Analysts' Travel Excitement Index showing continued strong enthusiasm for beach destinations and urban escapes, with a notable softening this year for visiting National Parks. 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 9th, 2018, 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, 2,025 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.

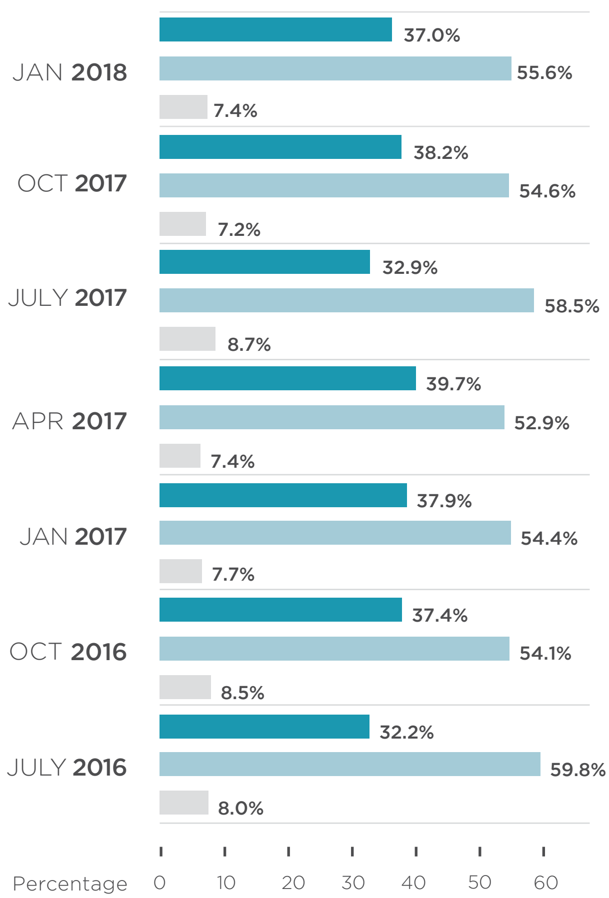
Contents

1 Travel Expectations & Travel Spending Expectations

LEISURE TRAVEL EXPECTATIONS continue to be robust, with Americans exhibiting a sustained vigor in their optimism for travel in the near future. In January, our national tracking survey showed that 37.0 percent of American travelers expect to take more leisure trips for leisure in the upcoming year, on par with the record 37.9 percent who said this one year earlier. Travel spending expectations are also soaring, with 36.5 percent of travelers expecting to increase their travel budget this year. In this most recent wave of the survey, the typical traveler reported having a maximum annual travel budget of $3,865, up 6.1 percent from a year earlier.

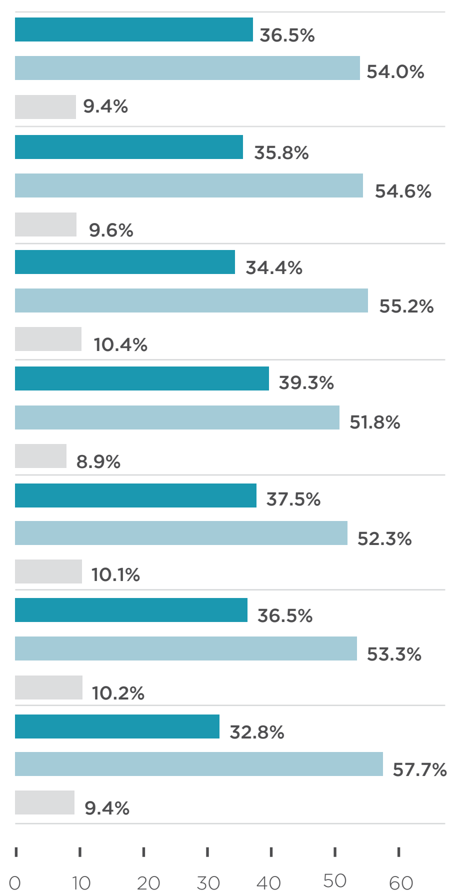
THE KEY: expect more | expect the same | expect less

Travel Expectations (Trips)



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

Travel Expectations (Spending)



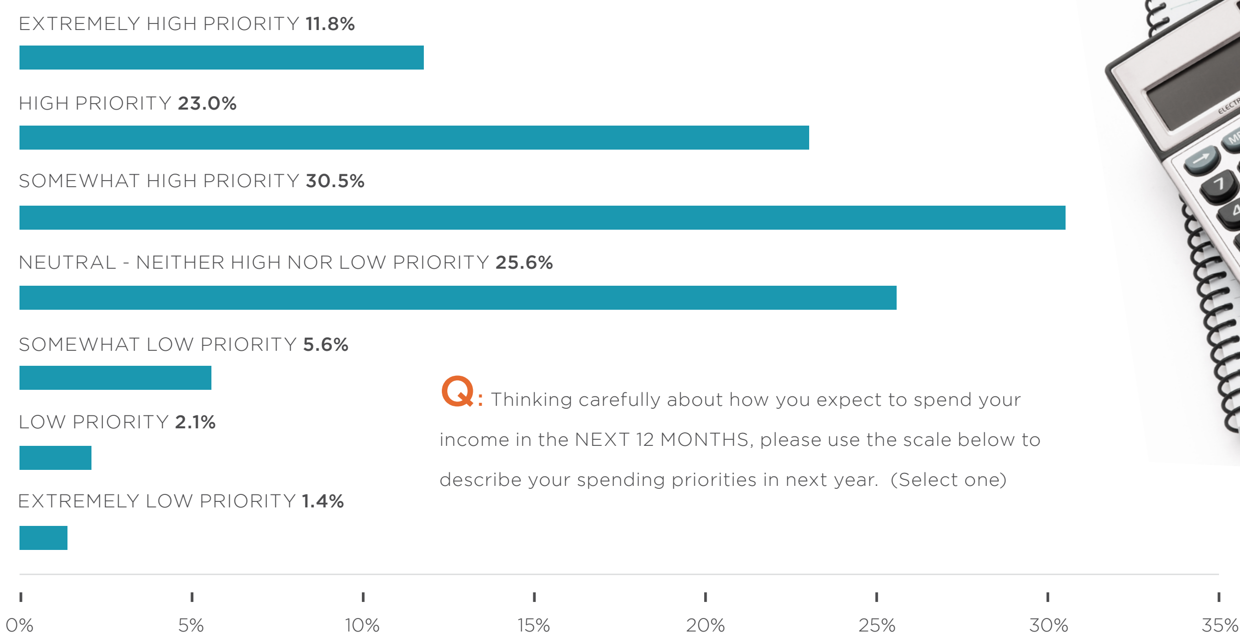
Q: In the next 12 months, do you expect to spend more or less for leisure travel than you did in the most recent 12 month period?

2.1

Travel is a Budget Priority for Most

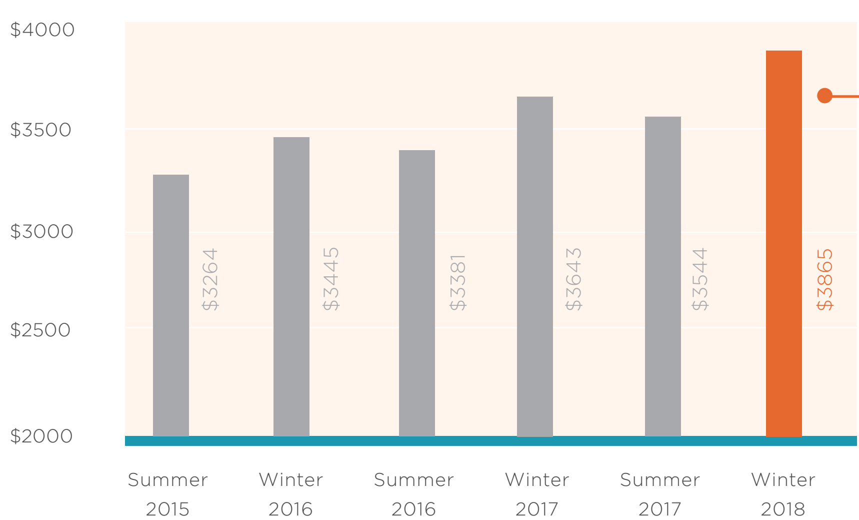
The majority of Americans (65.3%) report that leisure travel is at least somewhat of a budget priority. A question newly added to this survey asked respondents to think carefully about their spending in the next twelve months, and to describe the importance of leisure travel in this context. More than a third (34.8%) said that travel would be an "extremely high" or "high" priority budget item. By contrast, very few (only 3.5%) said that leisure travel would be an "extremely low" or "low" priority for them.

Priority Level of Budgeting for Travel



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 up 6.1% in past year

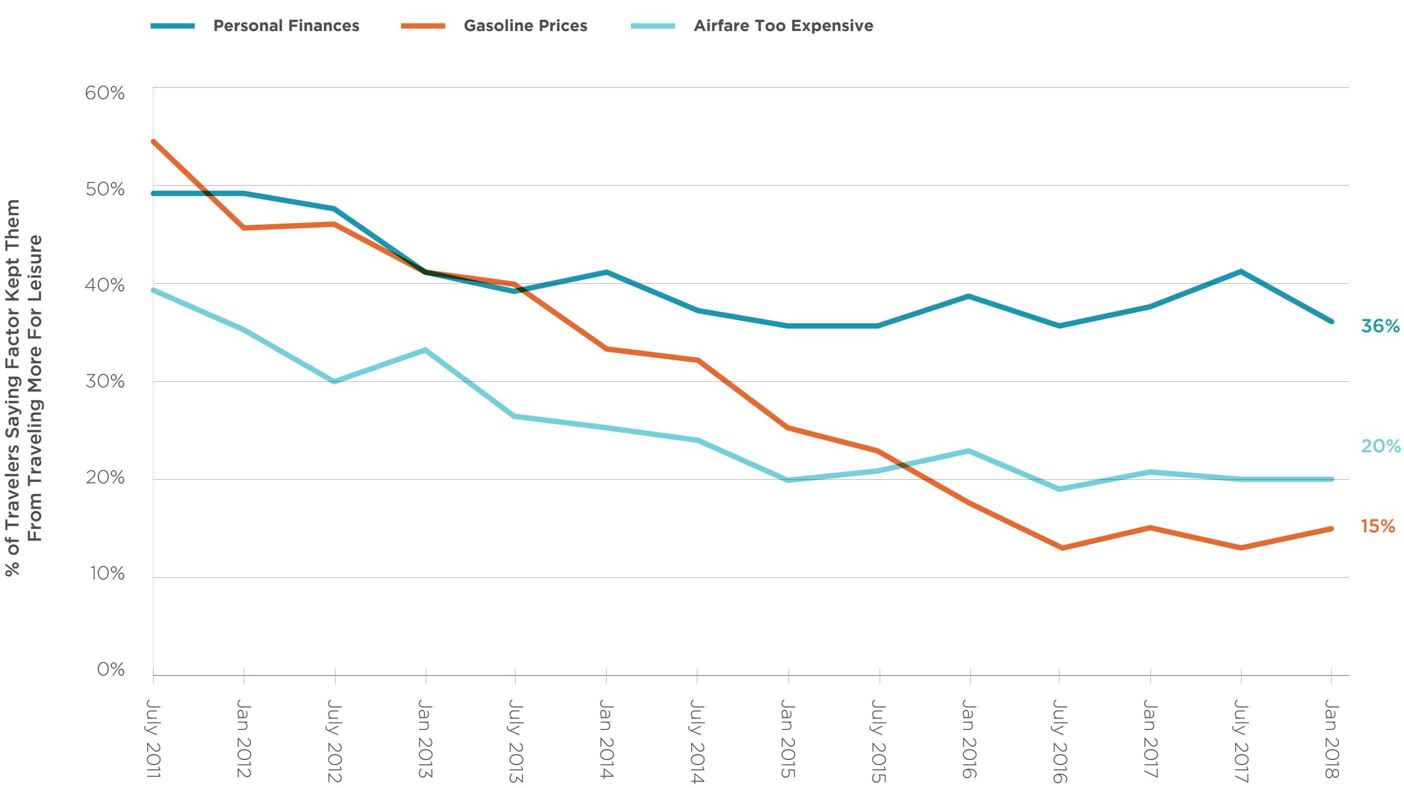


In another very positive sign for leisure travel in the upcoming year, Americans are expecting to increase their budgets for this activity sharply this year. The typical traveler anticipates spending nearly $3,900 this year, up 6.1 percent from the pervious year.

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?

2.2 Personal Finances as an Impediment to Travel

Percent of leisure travelers saying factor kept them from traveling more for leisure than they would have otherwise preferred (past 12 months).



While the current leisure travel market is robust, when looking at what keeps Americans from traveling many factors come into play. Personal finances are now, and have historically been, the most important of these impediments to travel. As the economy has continued to grow in recent years, personal finances have exerted less downward pressure on the leisure travel market. In our most recent survey, 35.7 percent of American leisure travelers reported that "personal financial reasons" had kept them at home, to some degree, in the past year. This is down from 38.0 percent from last year.

	July 2011	Jan 2012	July 2012	Jan 2013	July 2013	Jan 2014	July 2014	Jan 2015	July 2015	Jan 2016	July 2016	Jan 2017	July 2017	Jan 2018
Personal Finances	49%	49%	48%	41%	39%	41%	37%	36%	36%	39%	36%	38%	41%	36%
Gasoline Prices	54%	46%	47%	41%	40%	33%	32%	26%	23%	17%	13%	16%	13%	15%
Airfare Too Expensive	39%	35%	30%	33%	27%	26%	24%	20%	21%	23%	19%	21%	20%	20%

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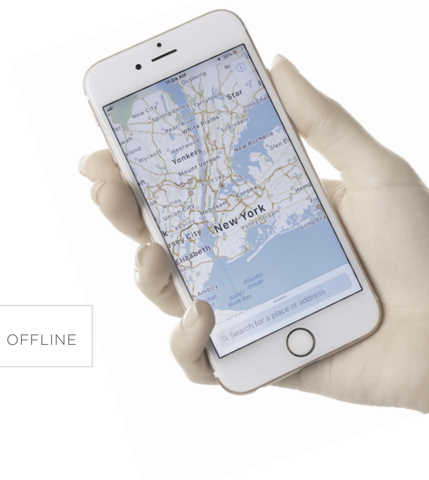
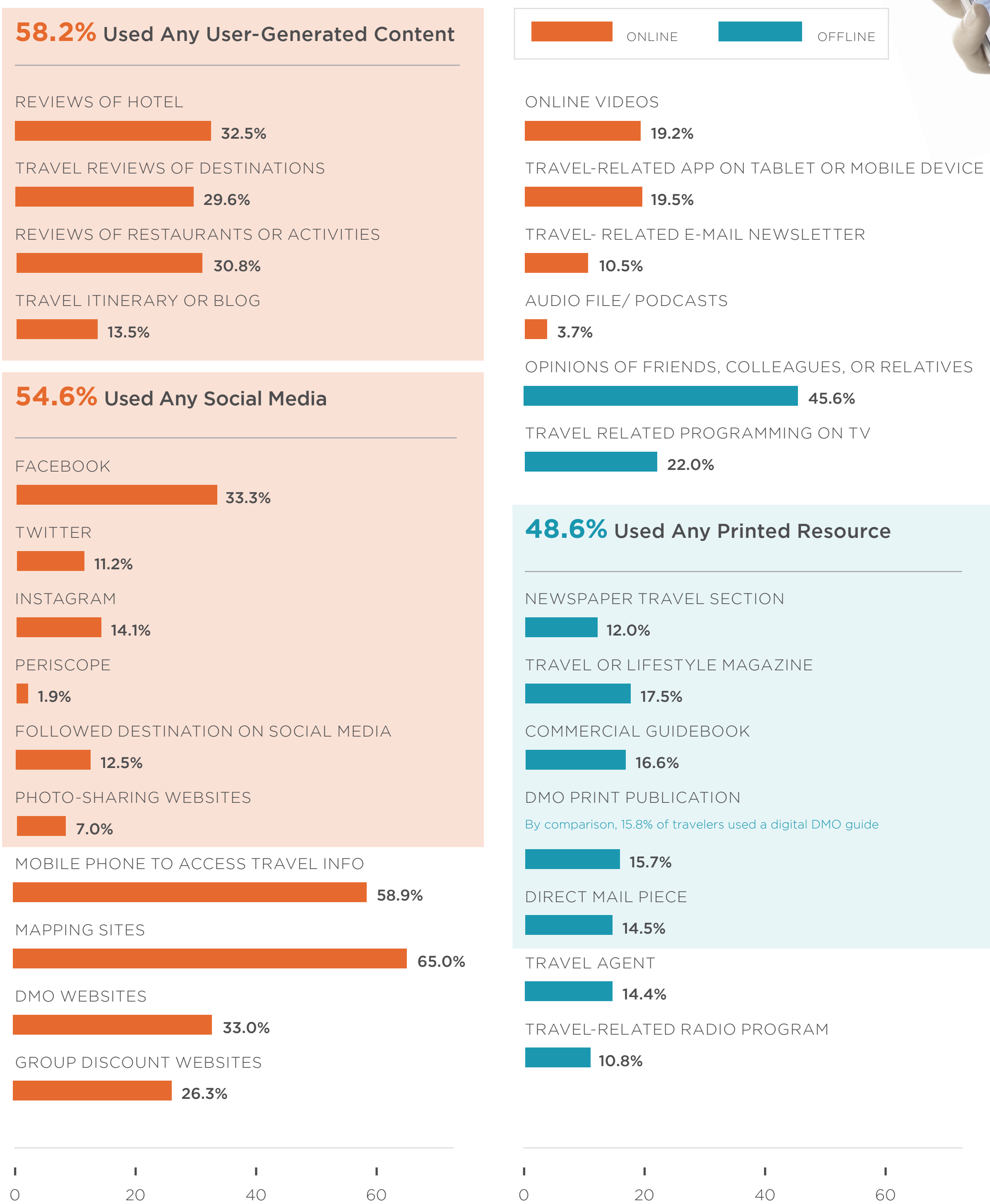
3.1
Travel Media & Technology

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)



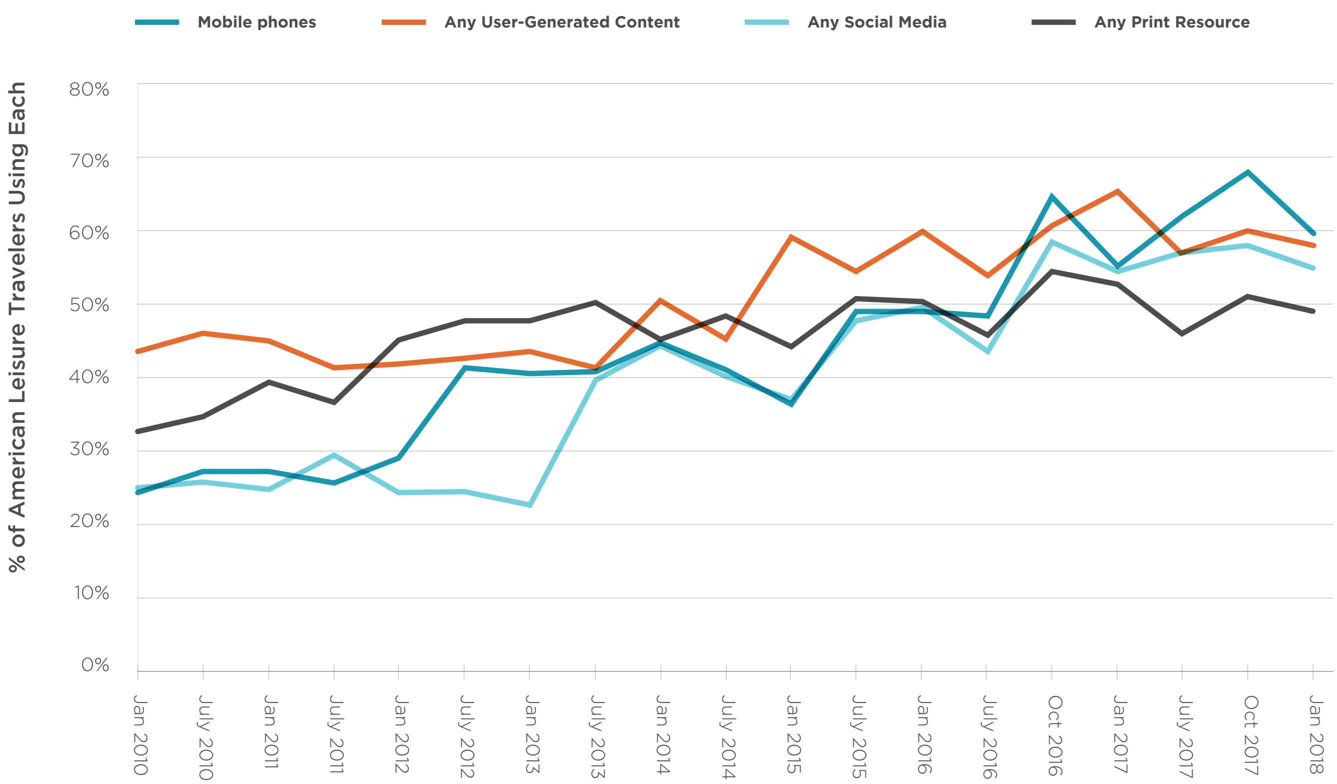
% of American Leisure Travelers (Used to plan a trip in the Past 12 Months)

3.2

Travel Planning Resources

Expanding Adoption of Leisure Travel Planning Resources

In recent years, rather than moving away from using traditional planning resources, Americans have been steadily adopting more and more resources for planning their travels. Increases have been seen in their consumption of social media, user-generated content and print resources. Use of mobile devices has, of course, also grown sharply. The chart and table below present recent historical data for perspective on four major travel planning resource types.



	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	July 2017	Oct 2017	Jan 2018
Mobile phones	24%	28%	28%	26%	29%	41%	41%	41%	45%	41%	37%	50%	49%	49%	64%	55%	62%	68%	59%
Any User-Generated Content	44%	43%	44%	46%	47%	41%	41%	43%	44%	41%	50%	45%	59%	54%	60%	65%	57%	60%	58%
Any Social Media	26%	26%	26%	29%	24%	25%	23%	40%	44%	40%	37%	48%	50%	44%	58%	65%	57%	58%	55%
Any Print Resource	34%	35%	40%	37%	46%	49%	49%	50%	45%	49%	44%	50%	50%	46%	54%	53%	46%	51%	49%

3.3

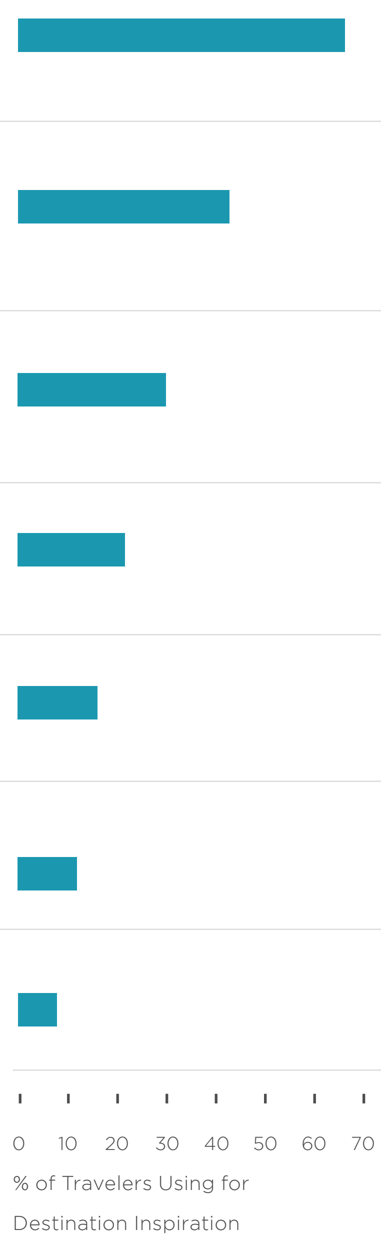
Destination Selection

Sources of Travel Inspiration?

Despite rapid changes in travel planning resources, how travelers fundamentally get inspiration for the places they visit has minimally changed in recent years. Word of mouth is still by far the most relied upon way people find travel inspiration. Two thirds of American travelers (66.0%) say they rely on the in-person opinions of friends and relatives, while nearly 30 percent get this information from social media. The Internet is of course extremely important, with 64.0 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)

66.0%	**Opinions of friends and relatives — in-person and/or through direct contact (email, text, etc.)**
42.8%	**All Online Media — Travel content found on the Internet (includes articles, reviews, business websites, blogs, podcasts, video, etc.)**
30.0%	**Opinions of friends and relatives — via social media websites**
21.7%	**Offline Media — TV, printed newspapers, magazines, etc.**
16.2%	**Online video travel content**
12.0%	**Travel agencies or tour operators**
7.3%	**Movies**

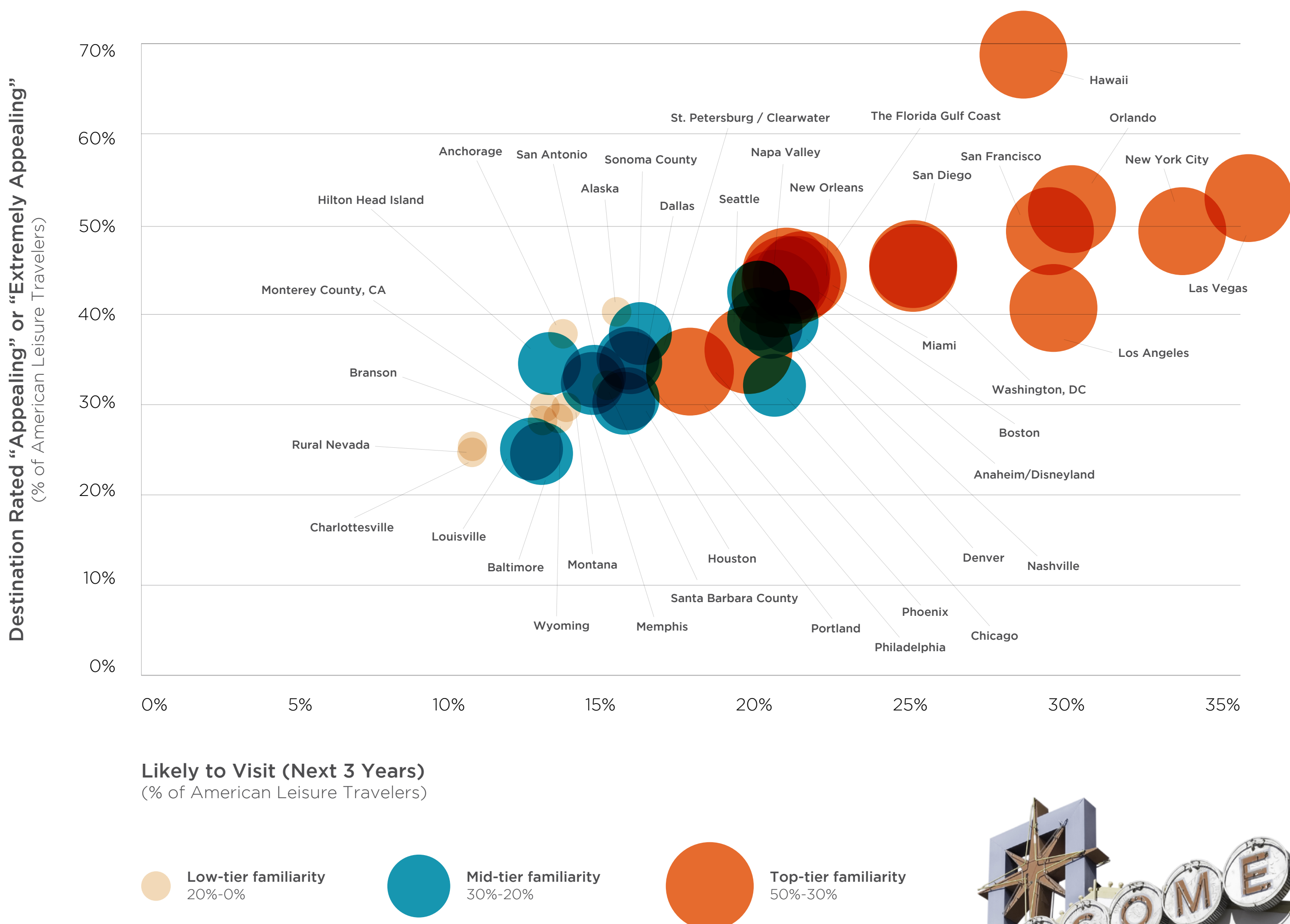


[4]

Destination Brand Performance

Familiarity, Appeal and Likelihood of Visitation

The scatter diagram below illustrates a selection of the 65-plus destinations tracked in The State of the American Traveler survey, 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

Destination Excitement Index

Surprise! People love beaches

Beach destinations and resorts continue to create the highest level of overall destination excitement. Our Destination Excitement Index™ measures Americans' enthusiasm for different destination types. As has been the case for the past 3 years, "Beach Destinations and Resorts" surpassed all other destination types. On a 100-point scale, beach destinations scored 74.9 (up 1.1% from 2017), indicating high levels of eagerness to visit. Meanwhile, U.S. National Parks (68.2) was surpassed this year by "Small towns, villages and rural destinations/attractions," which had an index value of 68.5.