Destination Analysts'

The State of the American Traveler™

SEGMENTS EDITION

Summer **2020** | Volume **38**

Destination Analysts

Segments Edition

The Coronavirus has been a disaster for the travel industry. We have learned that perhaps no industry is more vulnerable to the fear instilled by a pandemic than our industry. The summer edition of The State of the American Traveler is typically dedicated to understanding different traveler segments marketed to by Destination Marketing Organizations (DMOs). However, in the current environment, this data would be of limited value, as DMOs are not engaging with the marketplace in the traditional fashion. As such, we are repositioning this summer edition to first examine traveler sentiment in its historical context, then presenting a segmentation analysis that examines what types of travelers are currently ready to travel. It is our hope that this simplified edition can yield value to the DMO community, while not straying too far from this research's customary foundation. In short, our hope is that this market intelligence can help the DMO industry to shape its big picture thinking as we move through these extraordinarily challenging times. 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 July 8th to the 20th, 2020, 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, 2,000 leisure travelers completed the survey. With this sample size, the top line data presented here can be considered to have a reliability of +/- 2.3%. 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.

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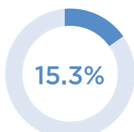
Travel Expectations & Travel Spending Expectations

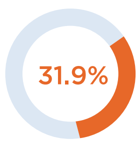
AMERICAN LEISURE TRAVEL OPTIMISM has taken an unprecedented blow from the Coronavirus, and five months into the pandemic still this enthusiasm remains at historic lows. The proportion of American leisure travelers who expect to take fewer trips in the next 12 months (compared to the past 12 months) stands at 52.8 percent. As recently as January, this figure stood at only 6.8 percent. Similarly, only 15.3 of travelers expect to travel more in the next 12 months, compared to 34.9 percent in January. Travelers' expected travel spending during the year follows the same pattern, with massive drops in expectations nearly a half year into the pandemic.

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?

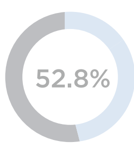
Summer, 2020



I expect to travel more for leisure

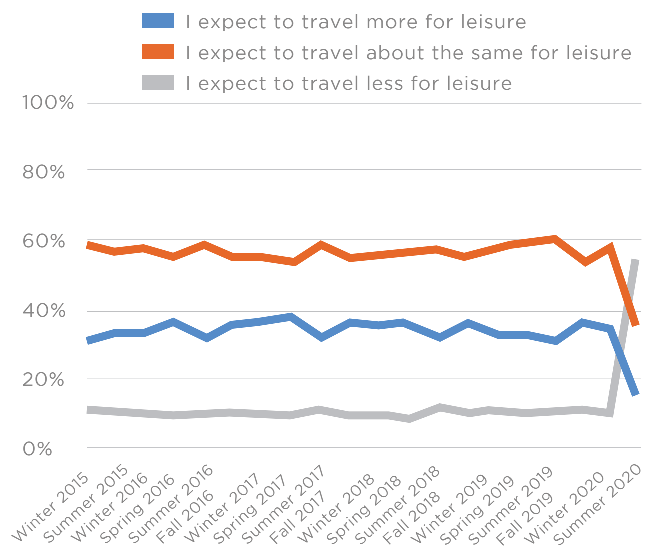


I expect to travel about the same for leisure



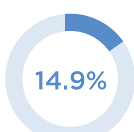
I expect to travel less for leisure

Historical Perspective

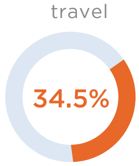


Q: In the next 12 months, do you expect to spend more or less for leisure travel than you did in the most recent 12-month period?

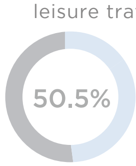
Summer, 2020



I expect to spend more on leisure travel

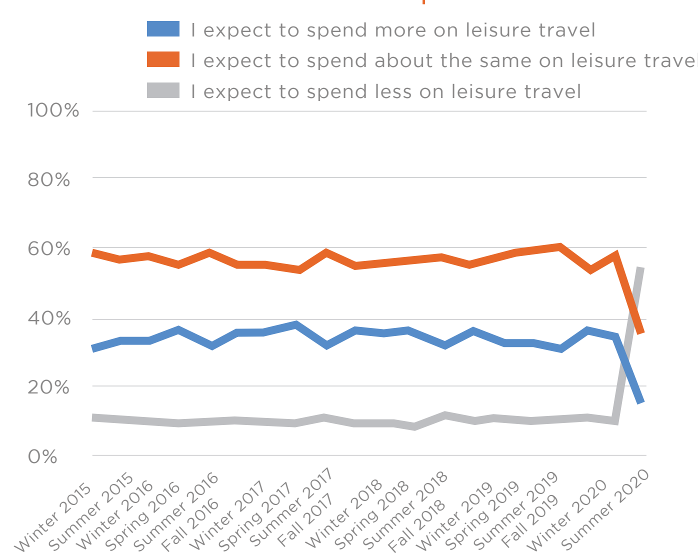


I expect to spend about the same on leisure travel



I expect to spend less on leisure travel

Historical Perspective



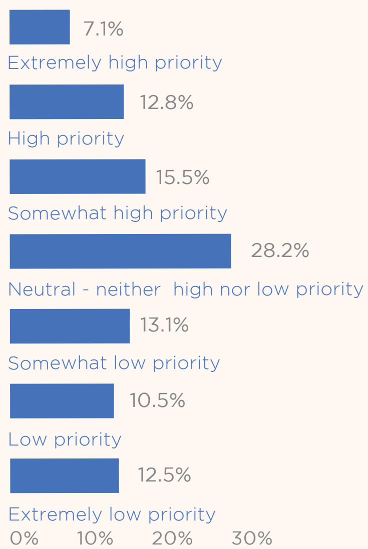
Leisure Travel as a Spending Priority

Only 1-in-5 American travelers expect that leisure travel will be a high or extremely high priority in their family budgets this year. That's a 50.1 percent drop from as recently as last January, when this figure stood at nearly 40 percent.

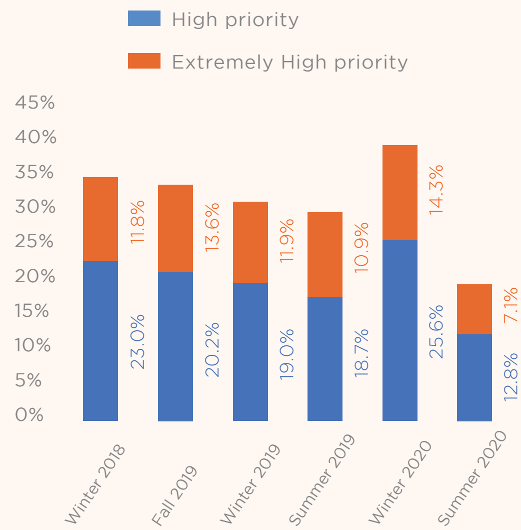
When asked what would be the maximum they would be willing to spend this year for leisure travel, the average traveler said $2,929, down nearly 30 percent from when the same question was asked in January.

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.

Summer, 2020

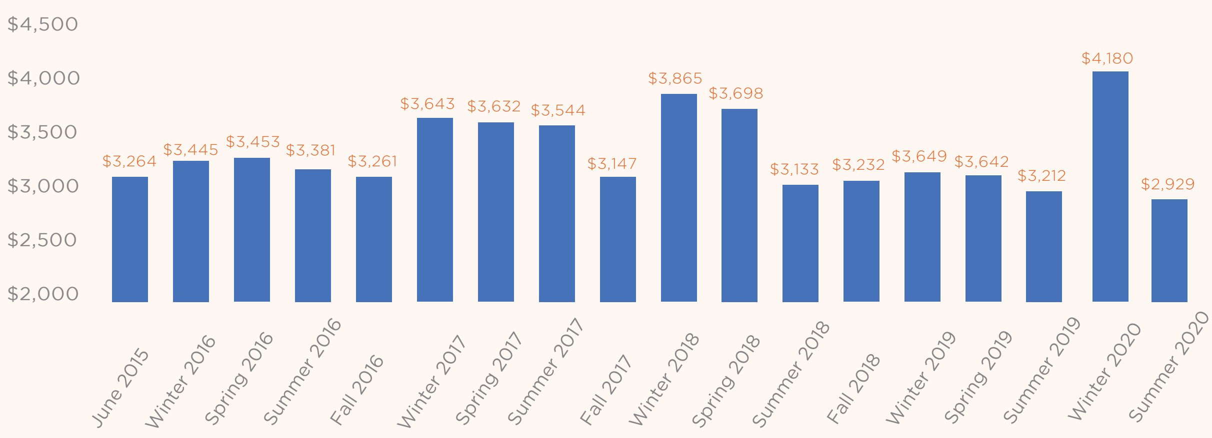


Historical Perspective



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?

Historical Perspective

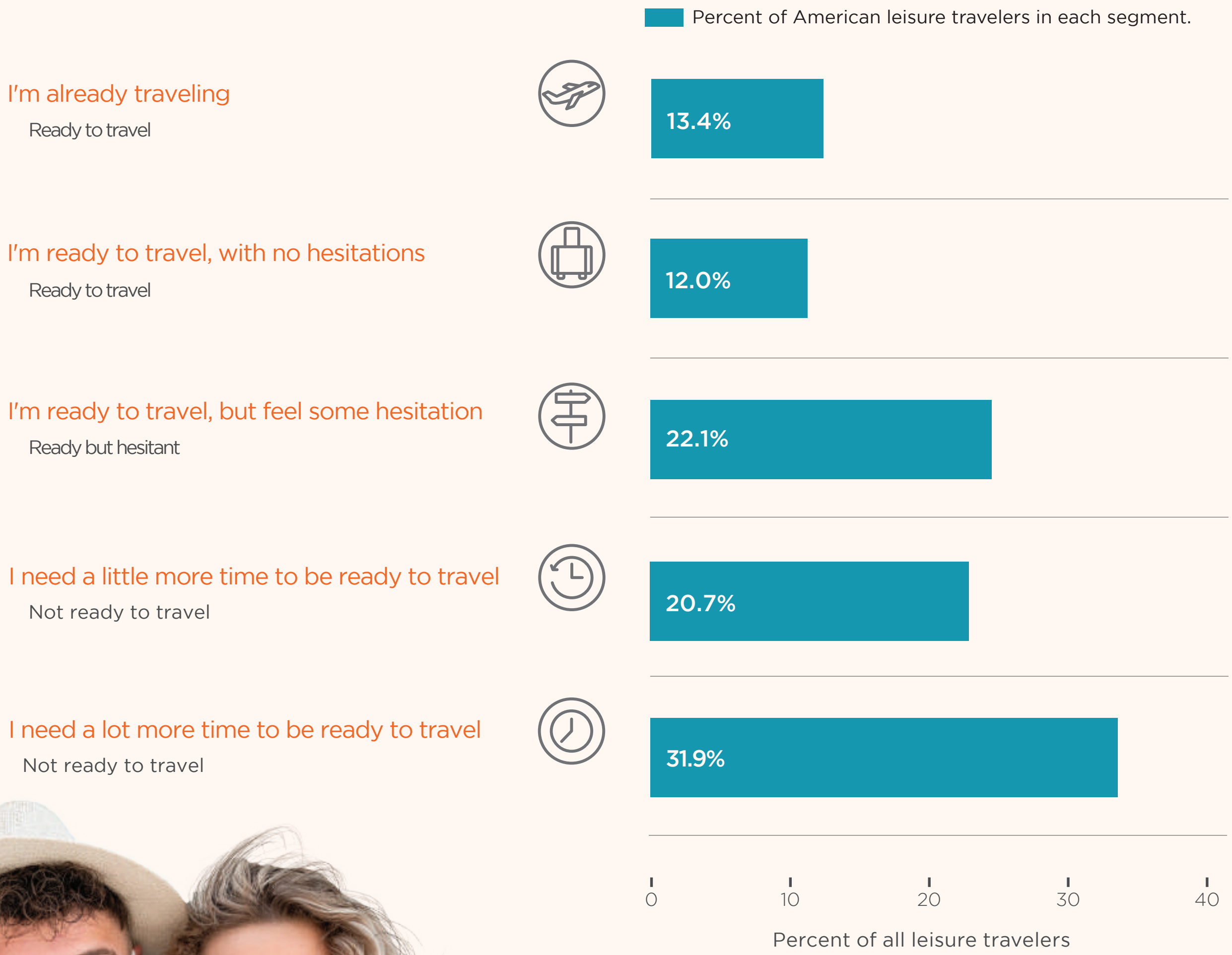


Traveler Segments in a Pandemic

The survey asked travelers to categorize themselves by how ready they are to get back out and travel. Five options were presented, from a person already being out traveling to the person needing a lot more time to be ready. The answers to this question form the segmentation base used in the analysis that follows.

TRAVELER SEGMENTS

Q: When it comes to getting back out and traveling again, which best describes your current state of mind?



TRAVELER SEGMENTS
Who's Ready to Travel?

Travelers who consider themselves fully ready to travel account for about 1-in-4 travelers. While the size of this segment appears to be relatively stable (not changing in size) there are notable difference between it and the 52.6 percent of travelers who are not ready to travel. Shown visually below, those ready to travel are more likely to be male and are younger. They travel more than their unready counterparts, taking an average of 5.5 trips a year. On all metrics, they also show much more enthusiasm for travel and travel spending in the upcoming year. They are social media super-users who also show higher propensities to be family travelers and visitors to National, state and local parks.

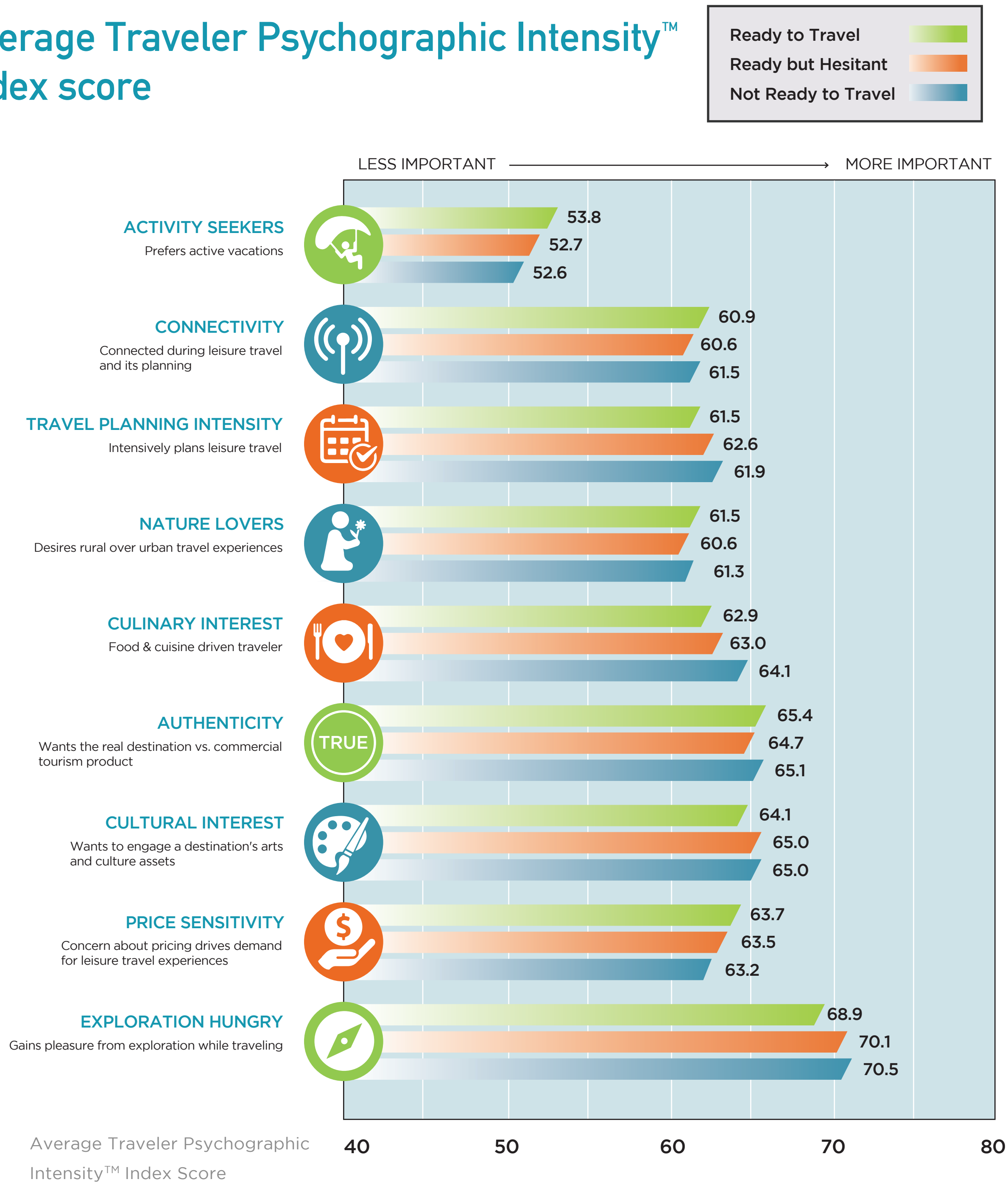
25% of American Travelers consider themselves to be ready to travel without hesitation

	Ready to Travel	Not Ready to Travel
Male	53.4%	48.3%
Female	46.6%	51.7%
Age (Average)	47.1	51.2
% Baby Boomer	27.6%	39.6%
Leisure trips taken (past 12 months)	5.5	3.9
Road trips (% of all trips taken)	57.3%	63.9%
Air trips (% of all trips taken)	31.4%	32.1%
Traveled for a sporting event (Past 12 months)	26.6%	16.0%
Traveled for special event/festival (Past 12 months)	33.5%	27.5%
I expect to travel more for leisure	33.1%	12.7%
I expect to spend more on leisure travel	29.0%	13.1%
Travel is a high priority budget item	40.9%	27.3%
Maximum annual travel budget	$2,964	$2,508
Traveled with own children (past year)	42.3%	30.7%
Took a multi-generational trip (past year)	31.7%	17.1%
Visited a National Park (past year)	37.2%	25.5%
Visited state or local parks (past year)	47.0%	34.4%
Uses social media to plan travel	51.9%	37.3%

Traveler Psychographics

A striking finding of this research is that, psycho-graphically speaking, the three groups of travelers are quite similar in most ways. They may be behaviorally different, but from the perspective of the emotional needs travel fulfills, they differ little. Comparing those “ready to travel” to those “not yet ready,” the ready to travel group may seek slightly more active destination experiences and have less interest in food and cuisine while traveling. Otherwise, average segment scores in other categories are extremely similar.

Average Traveler Psychographic Intensity™ Index score



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.