

THE 2010 TRAVELHORIZONS™ RESEARCH PROGRAM.

ALL THINGS TRAVEL – FROM HERE TO THE HORIZON.

WE KNOW WHERE WE'VE BEEN, BUT WHERE ARE WE HEADED?

- How does the leisure and business travel picture look for the next six months and how does it compare with last year?
- How do leisure travel intentions vary by known lifestyles, demography, media habits and travel behavior and what do these indicators mean for your destination or attraction?
- What factors or current events are impacting leisure and business travel that could be addressed through marketing?

ABOUT travelhorizons™

The first and only tracking survey of the impact of current events on the travel leisure and business travel intentions

- Conducted quarterly since March 2007 – database of over 32,000 U.S. adults and travelers
- Internet poll of 2,300 U.S. adults, including 1,800 active travelers who have been prescreened and qualified by recent travel behavior conducted by Synovate
- Survey instrument amended each wave to address current events
- Data interpreted with reference to lifestyles, demography, media habits and travel behavior
- An overview and synthesis to explore the effects of emerging economic, political, social and natural developments on the travel intentions of Americans
- The source for U.S. Travel's Traveler Sentiment Index™

LEISURE TRAVEL PROFILES, CONSUMER BEHAVIOR, ATTITUDES TOWARD ONLINE INFORMATION SOURCES

- Incidence of leisure/business trips by individual traveler, domestic and international travel, trip party composition, modes of transportation, lodging
- Utilization of various information sources when considering travel arrangements
- Ability to travel based on time constraints, personal financial obligations and other travel considerations
- Perception of different aspects of the travel industry (affordability, quality of service, travel safety, etc.)
- Interest in 25 leisure travel activities and attributes
- Attitude towards travel (influence of children, age or health concerns, job/work constraints, spending habits, etc.)
- Preference for leisure travel (repeat visits, rest and relaxation, international behavior, etc.)
- Use of the Internet or an online service to obtain information, make reservations
- Readership of hard-copy newspapers, online newspapers, the Sunday travel section, magazine subscriptions
- Television cable channels regularly watched and types of radio stations listened to
- Age, generation, marital status, annual household income, gender, ethnicity

SPECIAL TOPICS

Special topics explore existing and developing affairs that are currently on the minds of travelers and have the potential to affect your business. Topics of interest included in recent surveys are:

- Gas prices
- Leisure travel incentives – What had the best chance of success
- Staycations – It doesn't mean staying at home
- Use of new technology, including social media, to market travel
- "Green" travel
- Swine Flu (H1N1)

PRODUCTS AND PRICING

- Full sponsorship: \$21,000 for U.S. Travel members
- Purchase of four quarterly reports and one annual summary: List price of \$13,200 or U.S. Travel member price of \$10,500
- Individual quarterly reports: List price of \$4,000 or \$3,200 for U.S. Travel members
- Special tabulations from database of 32,000 respondents: Ask for price quote

LIMITED SPONSORSHIP OPPORTUNITIES FOR 2010

With five sponsors, we have room on the survey to accommodate two sponsors for 2010. Here is what you get as a travelhorizons™ sponsor:

- Ability to ask proprietary questions to meet your needs on all four quarterly surveys
- Results provided within two weeks of the end of the survey period – as real time as you can get
- Sponsor prerelease of top line results within two days of receipt of quarterly data
- Four standard banner reports and one custom banner based on criteria you define
- SPSS database for additional analysis
- Electronic and hard copy of the quarterly travelhorizons™ report
- Copies of all U.S. Travel/Ypartnership press releases
- Input into special topic questions

FOR MORE INFORMATION, PLEASE CONTACT

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INTRODUCTION

This report includes results of a national household survey undertaken between July 21 - 28, 2009, the 13th in an ongoing series that provides perspectives and insights into the influence of macro-environmental trends and issues on the travel intentions of Americans. With completion of the July wave, users now have access to trending from 2007 into 2009 based on responses from over 20,000 U.S. adults.

The purpose of this research is to measure the current status and changes in leisure traveler past behavior, future leisure travel intentions and consumer values and lifestyles. The economy, which is finally showing signs of improvement, is still the focus of the July survey. Technology and “green” travel are the special topics addressed in the July survey.

METHODOLOGY

Each wave involves a twenty-minute national online survey conducted among self-identified U.S. adults age 18 or older. Leisure travelers were included if they had taken at least one leisure trip in the past 12 months of 50 miles or more one-way away from home (day trips) or that included an overnight stay. The following shows the number of identified U.S. leisure travelers and when the 2008 and 2009 waves were in the field.

- July 2009 Wave (Fielded July 21 – 28, 2009)
1,819 self-identified U.S. adult leisure travelers; 543 non-leisure travelers
- April 2009 Wave (Fielded April 21 – 30, 2009)
1,871 self-identified U.S. adult leisure travelers; 379 non-leisure travelers
- February 2009 Wave (Fielded February 6 – 13, 2009)
1,763 self-identified U.S. adult leisure travelers; 507 non-leisure travelers
- October 2008 Wave (Fielded October 13 - 20, 2008)
1,708 self-identified U.S. adult leisure travelers; 583 non-leisure travelers
- July 2008 Wave (Fielded July 22 – 29, 2008)
1,779 self-identified U.S. adult leisure travelers; 432 non-leisure travelers
- April 2008 Wave (Fielded April 16 – 23, 2008)
1,581 self-identified U.S. adult leisure travelers; 652 non-leisure travelers
- February 2008 Wave (Fielded January 29 – February 5, 2008)
1,632 self-identified U.S. adult leisure travelers; 635 non-leisure travelers





EXECUTIVE SUMMARY

LEISURE TRAVEL INDICATORS SHOW IMPROVEMENT – GOOD SIGN FOR LEISURE TRAVEL

Some economic indicators provide evidence that the economy has perhaps hit bottom and is improving. However, most economists agree that the recovery will be slow and the recession may take the shape of a “W” as recovery ebbs and flows.

Perhaps pointing the way towards recovery, most travel indicators exhibited gains between April 2009 and July 2009. For example, all six of the Traveler Sentiment Index indicators either increased or remained unchanged between April and July, leisure travel intentions were again higher than the same point in the previous year and many of the leading leisure travel indicators reveal a trend toward less hesitancy to spend compared to the same period last year. Results from the October *travelhorizons*TM survey will determine if these are short-term gains or the beginning of a welcomed long-term trend.

TRAVELER SENTIMENT INDEXTM

The July 2009 Overall Traveler Sentiment IndexTM moved to 92.1 -- its highest level since February 2008. With the exception of the “money available for travel” index, which remained unchanged at 70.3, the other five TSI indicators improved between April 2009 and July 2009 – the first such time that all indicators have been positive since the TSI was established in March 2007. With the gain in July, the Overall TSI is only 7.9% below the March 2007 base of 100, a significant improvement from the 22% declines of July and October 2008. The “affordability of travel” index has exhibited the greatest improvement among the six indicators – up 24% from the March 2007 base. Although the “money available for travel” index has also shown steady improvement in recent quarters, the index remains nearly 30% below the March 2007 base.

LEISURE TRAVEL INTENTIONS

Leisure travel intentions among U.S. adults increased from 60.9 in July 2008 to 63.1 according to the July 2009 *travelhorizons*TM survey. This equates to an estimated 142 million adult leisure travelers who are expecting to take at least one leisure trip of 50 miles or more away from home (one way) or that includes an overnight stay between August 2009 and January 2010. This translates into approximately five million more leisure travelers compared to the same point in 2008.

Leisure travel intentions over the next six months are highest among Older Boomers (72.8%) and Gen Y adults (70.3%) and, as is usually the case, lowest among Matures. Leisure travel intentions increased across all five generations compared to July 2009.

REASONS FOR NOT TRAVELING

Economic factors continue to be the dominant reason for not taking a leisure trip within the next six months. And, in fact, the percentage citing the economy increased between April and July. All reasons for not taking a leisure trip increased between April 2009 and July 2009 with the exception of “time constraints.” The percentage citing gas prices as a reason for not taking a leisure trip showed the greatest increase from April even though the price of a gallon of unleaded regular remained virtually unchanged between the two survey periods.





EXECUTIVE SUMMARY

FINANCIAL ISSUES AND LEISURE TRAVEL PLANS

Most of the financial issues with the potential to impact leisure travel time or vacation plans over the next 12 months improved between April 2009 and July 2009 – a positive sign for the travel industry. Major economic factors, such as credit card debt, the financial bailout, declining value of the dollar, declining real estate values and value of investment portfolios exhibited the greatest improvement between the two surveys.

LEADING LEISURE TRAVEL INDICATORS

The leading leisure travel indicators improved somewhat between April and July, perhaps a shift in the willingness of future leisure travelers to spend more. The percentage of U.S. adults planning to take a leisure trip in the next six months and expecting to spend less on food and entertainment declined as did the percentage saying they expect to stay in less expensive lodging. The survey shows especially sizable improvement in the leading travel indicators among potential leisure travelers living in households with incomes of \$100,000 or more.

BUSINESS TRAVEL

Except for an increase in the average number of business trips U.S. adults expect to take in the next six months, business-travel indicators remained flat. One-in-five U.S. adults still expect to take fewer business trips in the next six months compared to the same period last year. Transient business-related trips showed the greatest improvement from April 2009. Perhaps an indicator of better times ahead, the percentage of U.S. adults citing “company travel restrictions” as a reason for taking fewer business trips in the next six months declined from 34% to 25% between April and July.

“GREEN TRAVEL” AND THE ENVIRONMENT

The July *travelhorizons*TM survey included questions on the environment and “green travel” as the special topic of this quarter – a replication of questions asked in July 2007, plus several new questions. The key findings include:

- A significant increase in the level of awareness of “green” issues;
- Travelers are becoming more environmentally-conscious and are beginning to make travel decisions based on sustainability criteria;
- A surge in familiarity with the concept of “carbon footprints”;
- Environmental consciousness is generational;
- An sizable increase in concern about global warming coupled with shift from “very concerned” to “somewhat concerned” between July 2007 and July 2009;
- An increase in actions taken by U.S. adults to conserve resources and the environment, especially actions that result in lower household spending;
- A continued lack of willingness to pay extra to support environmentally-friendly travel providers;
- Environmental responsibility is one of the prime factors influencing selection of travel companies; and
- Americans hold positive beliefs about travel and the environmental responsibility of travel companies.



