Consumer Leisure and Business Travel Trends

August 4th, 2009
Hotel Data Conference
Nashville, Tennessee

RESEARCH • PLANNING • DESIGN

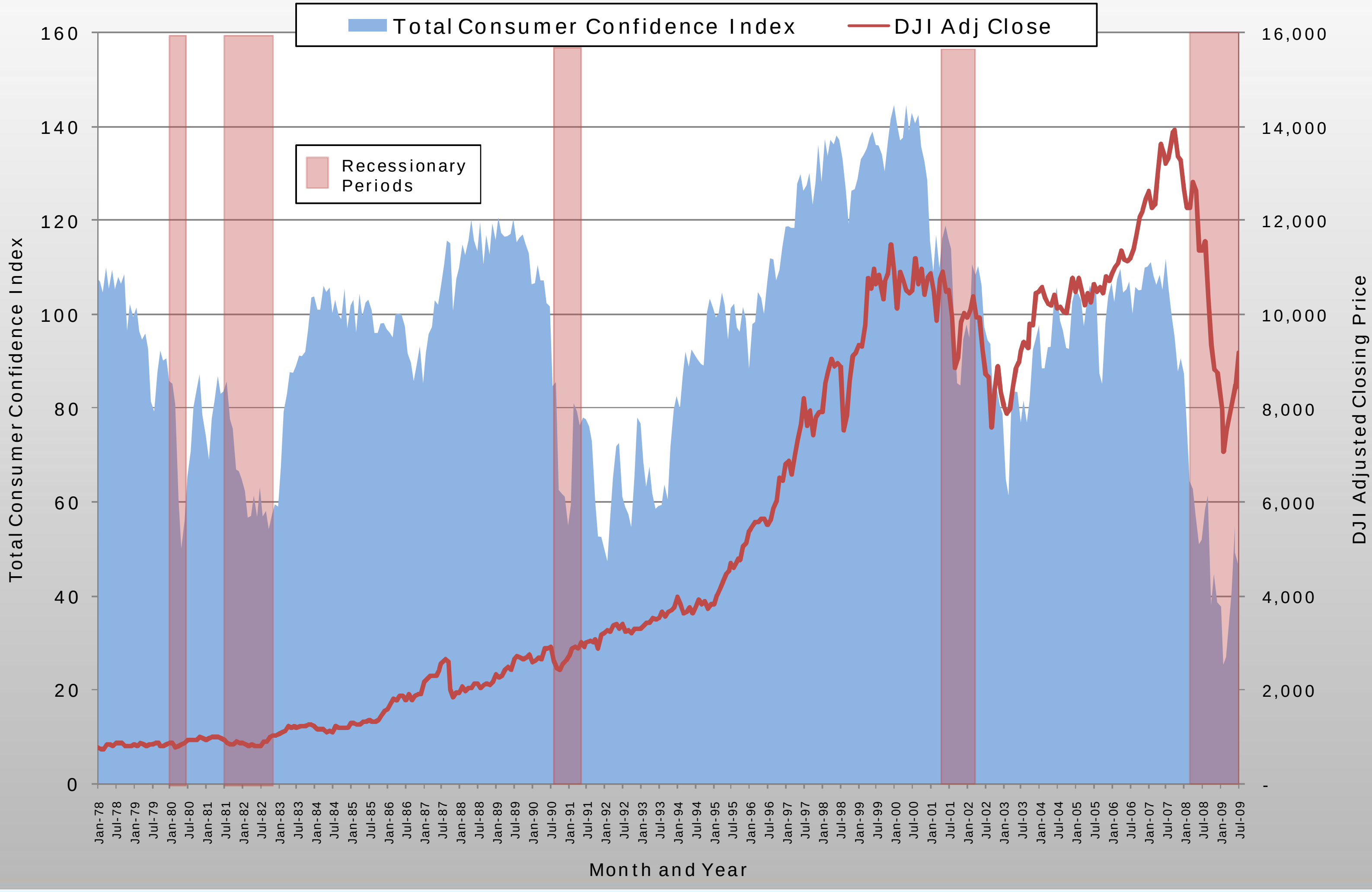
Who we are

RRC

- Destination Profiles
- Focus Groups
- Economic Impact Studies
- Customer Satisfaction Research
- Visitor Profiles
- Branding

On the Importance of Tracking Consumers

CCI vs. DJI: January 1979 to July 2009



National Travel Intentions Survey

- Biannual survey of business and leisure travelers
- Nationally representative sample of approximately 1,300 respondents
- Explores current sentiment, past travel behavior, and future travel intent

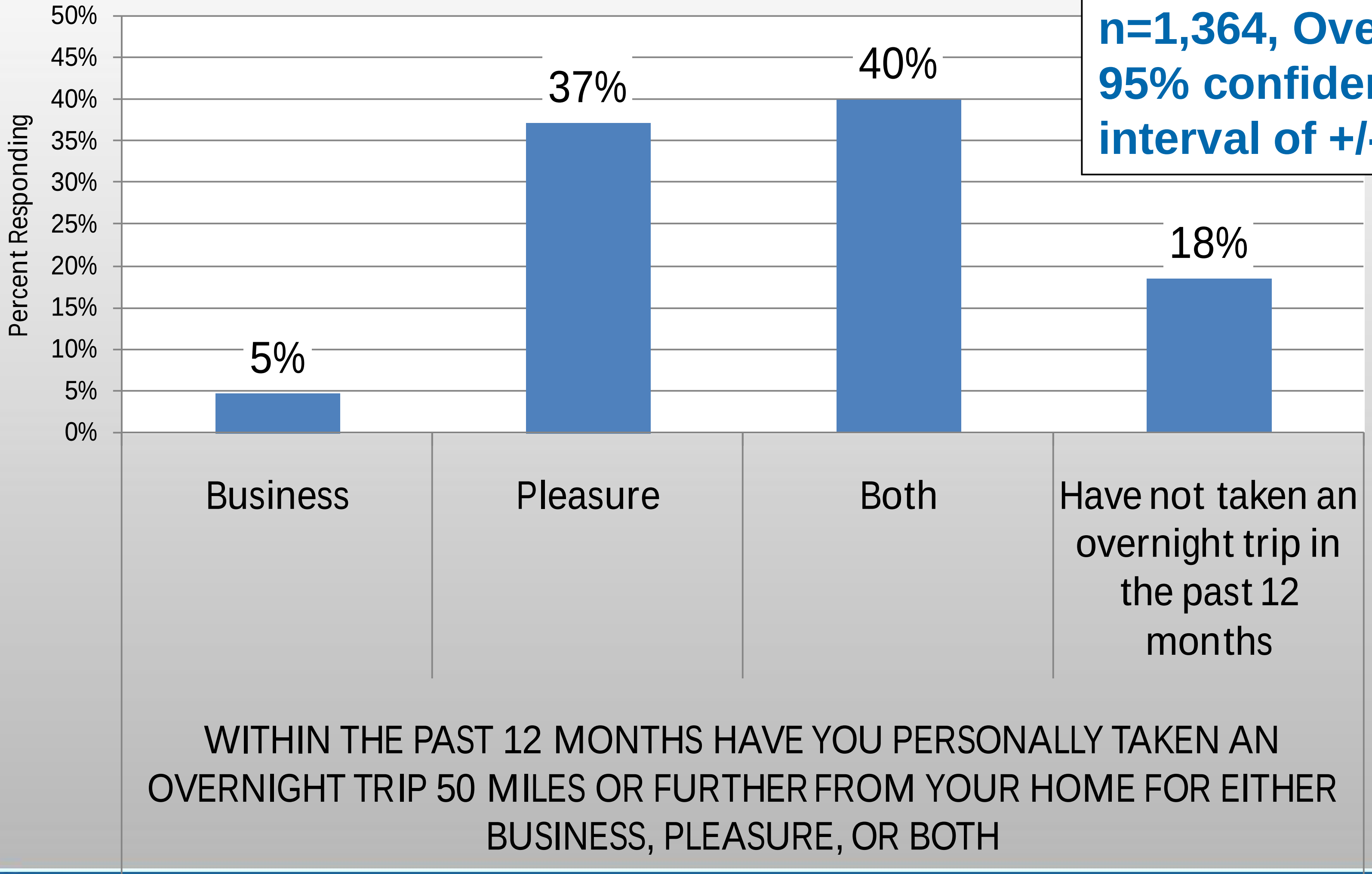
National Travel Intentions Survey

Highlights:

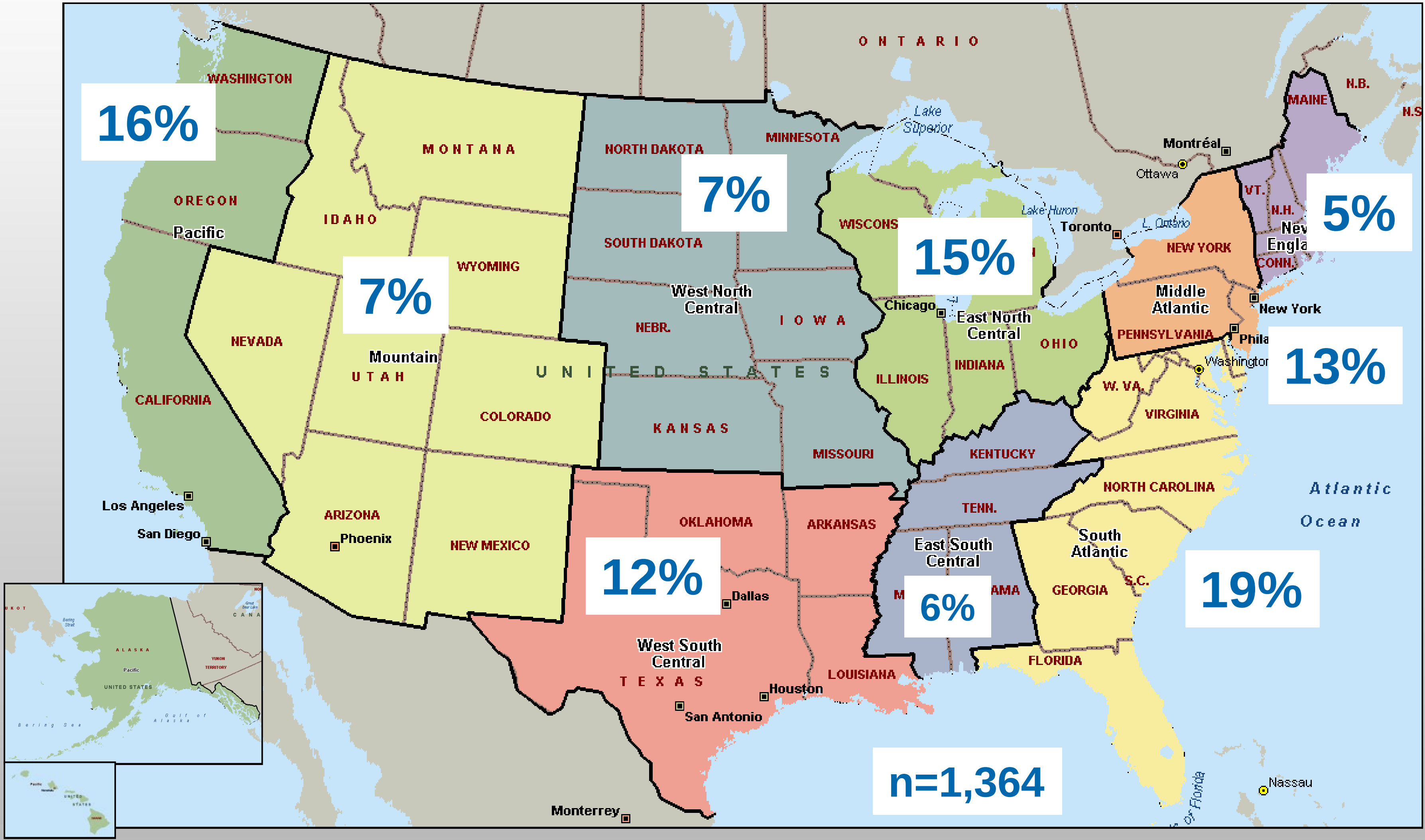
- Fielded July 22nd to August 31st
- Demographic and geographic profile
- Perceptions regarding economic outlook
- Perceptions regarding personal financial outlook
- Past and future business travel behavior
- Past and future leisure travel behavior
- Total spend on leisure travel
- Trip types and volume of both trips taken and intended
- Tendency to trade up vs. down in terms of both business and leisure
- Qualitative input regarding the current travel environment

Incidence of Leisure and Business Travel Over Past Year

n=1,364, Overall 95% confidence interval of +/-2.9%



Representative Geography



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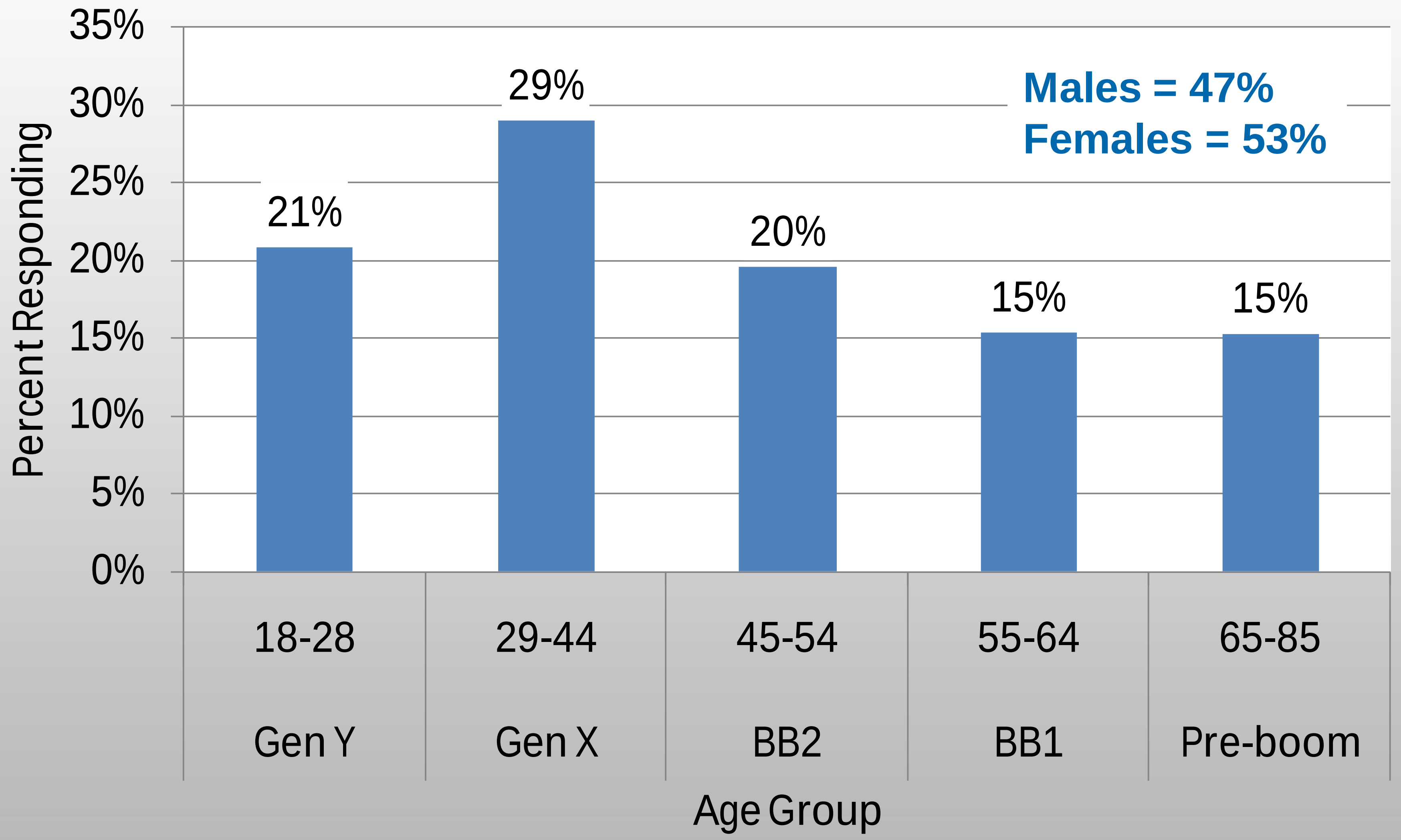
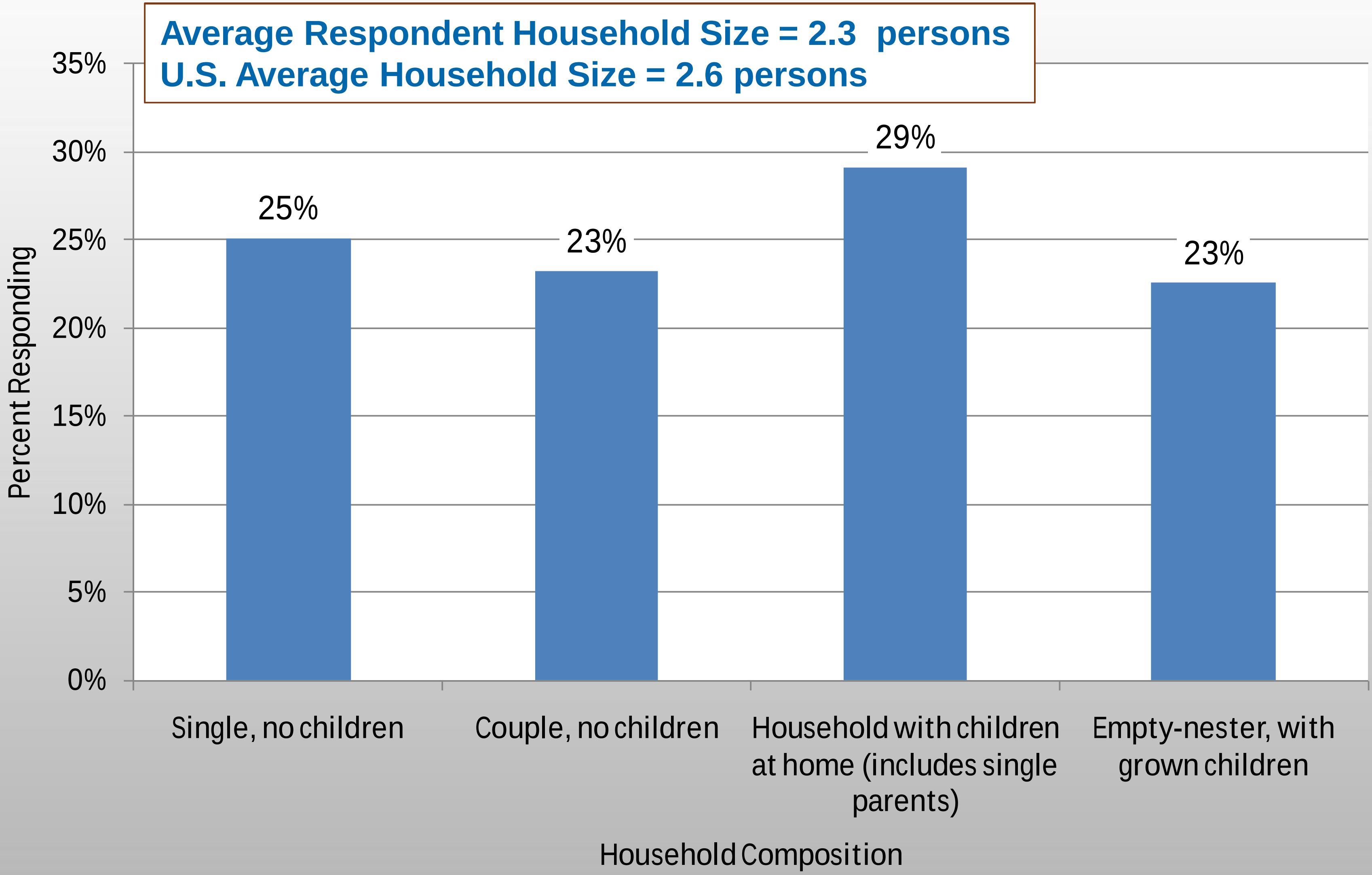
Representative Age and Gender



Respondent's Household Composition



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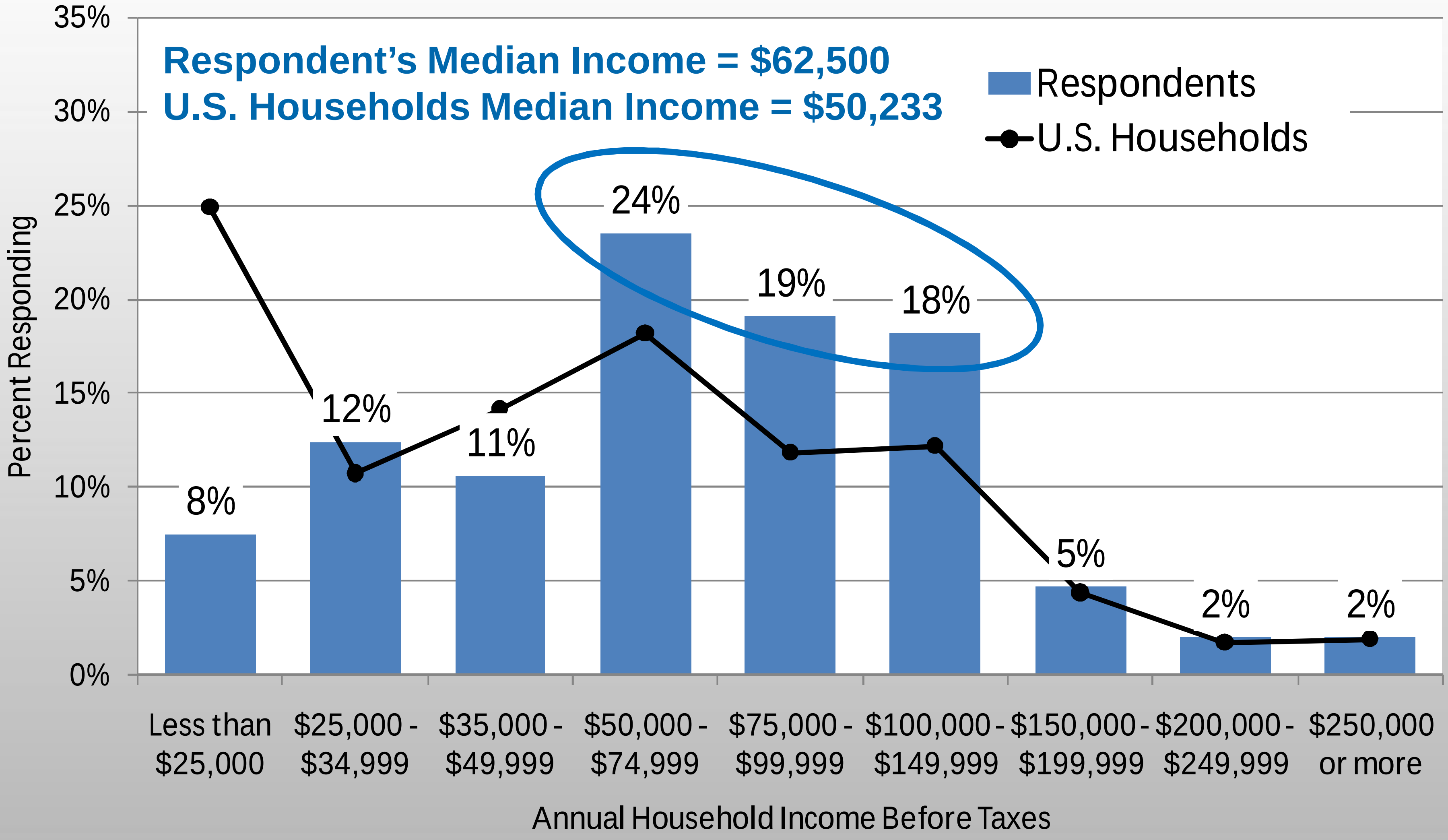
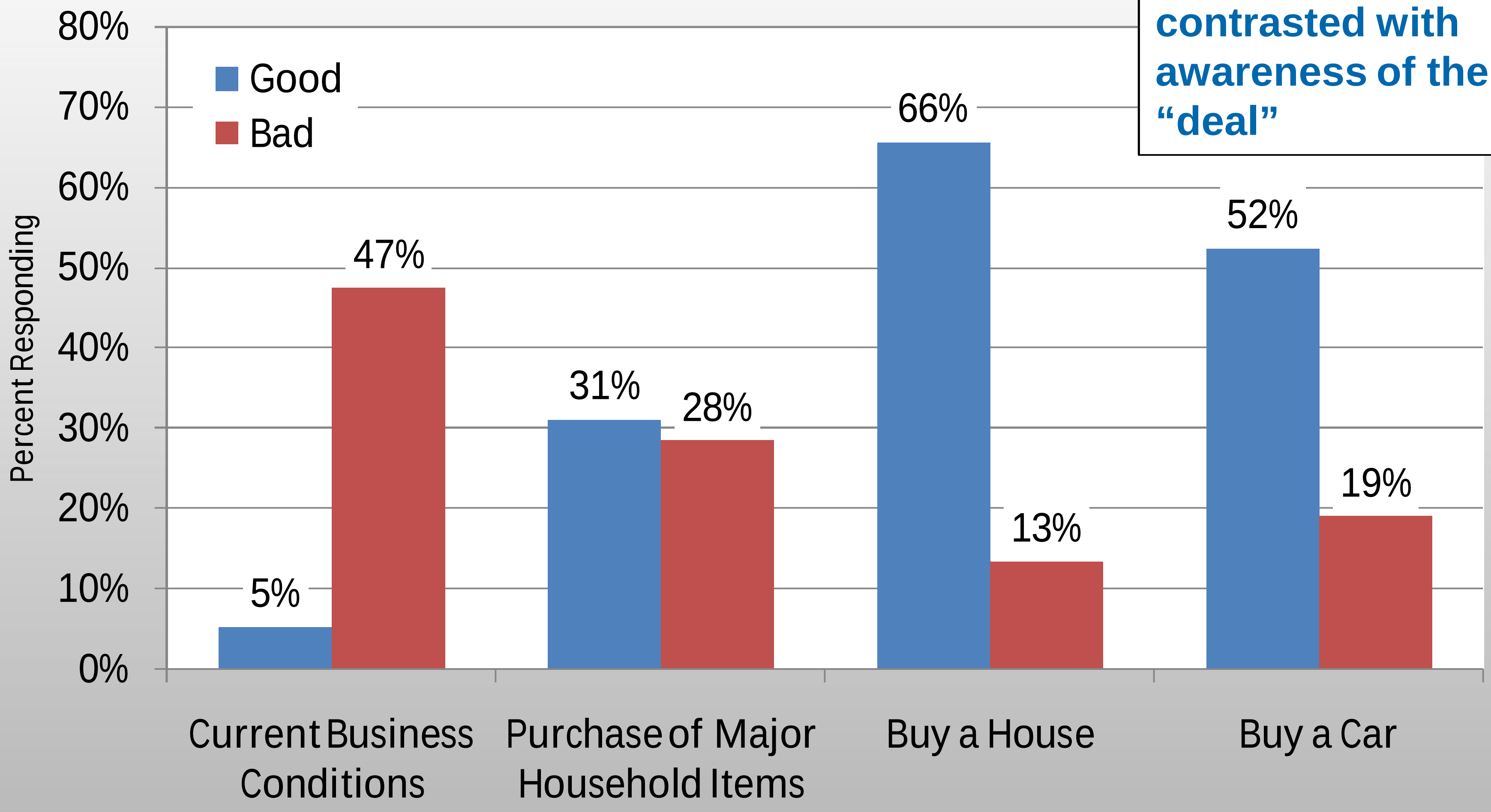
Respondents vs. U.S. Households: Income



Respondent's Assessment of Current Conditions

Personal frugality contrasted with awareness of the "deal"



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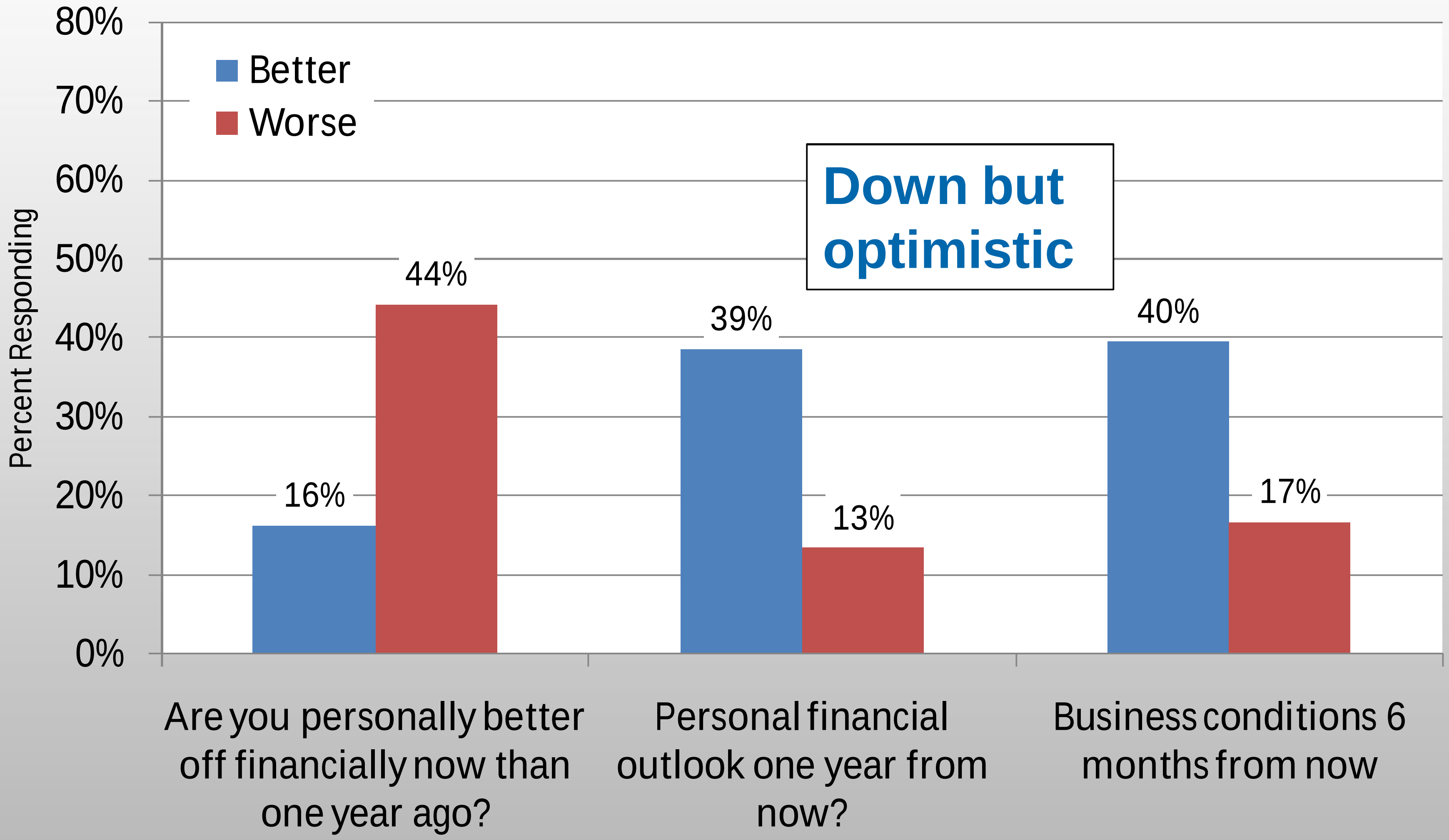
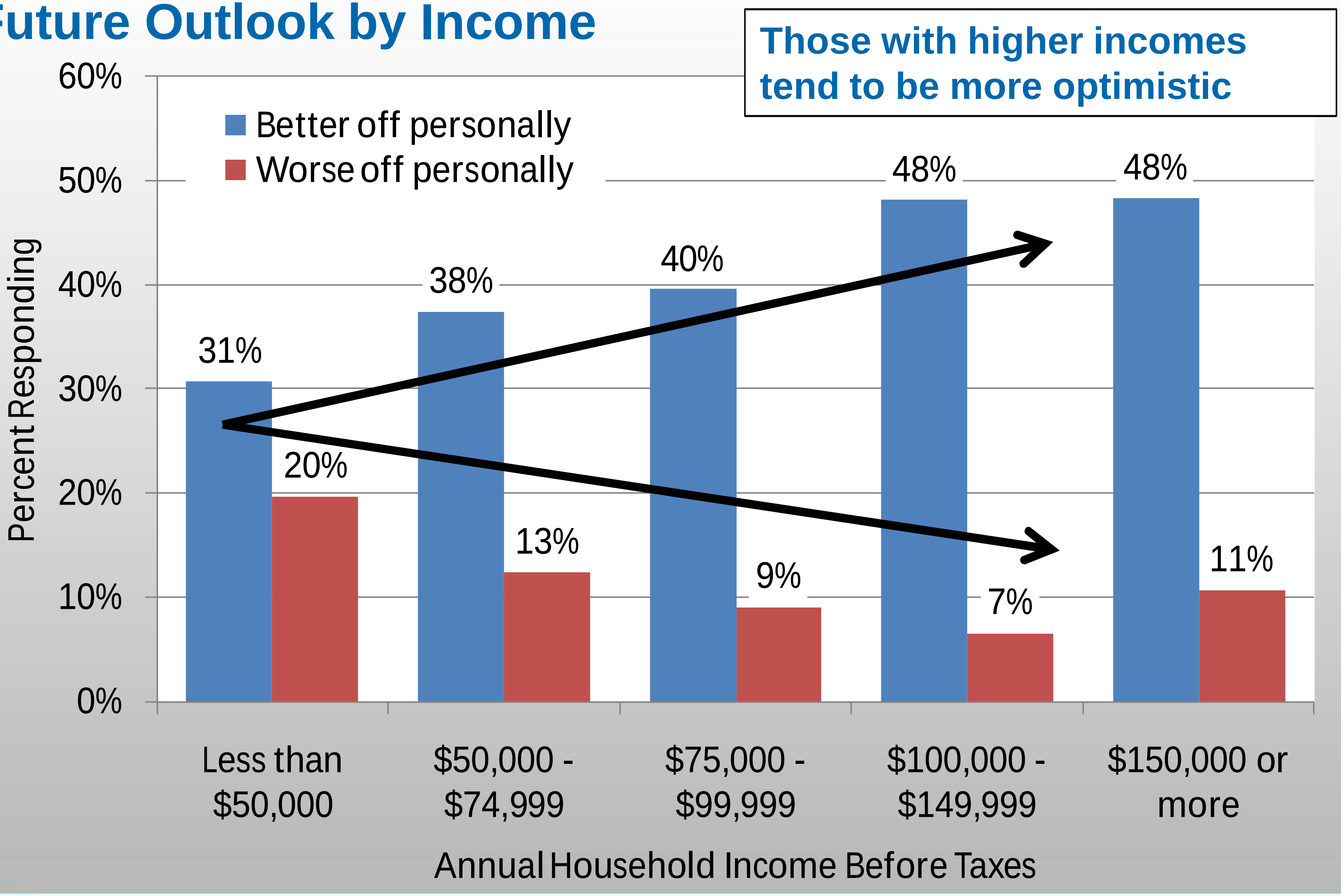
Respondent's Assessment of Outlook



Respondent's Assessment of Future Outlook by Income



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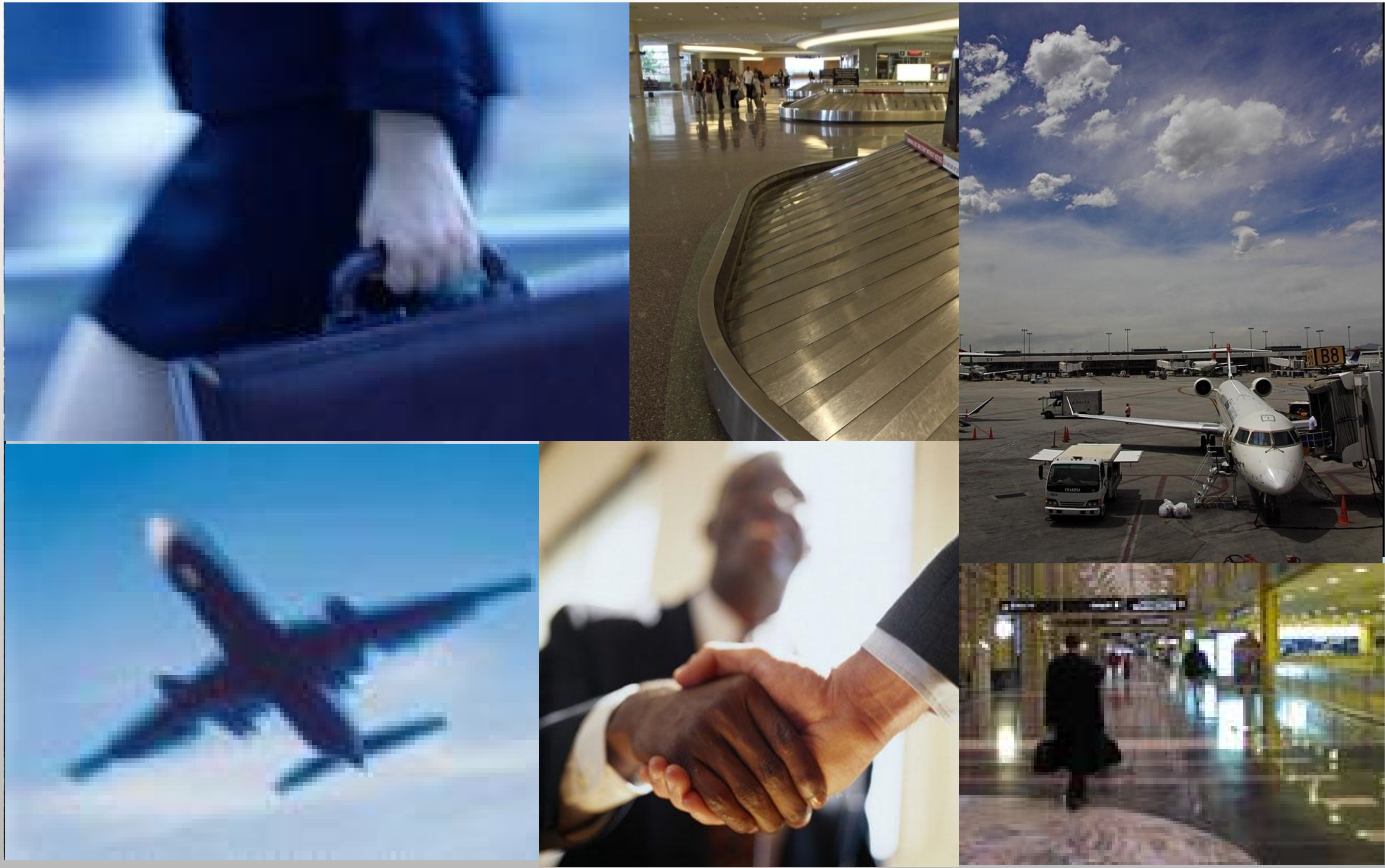
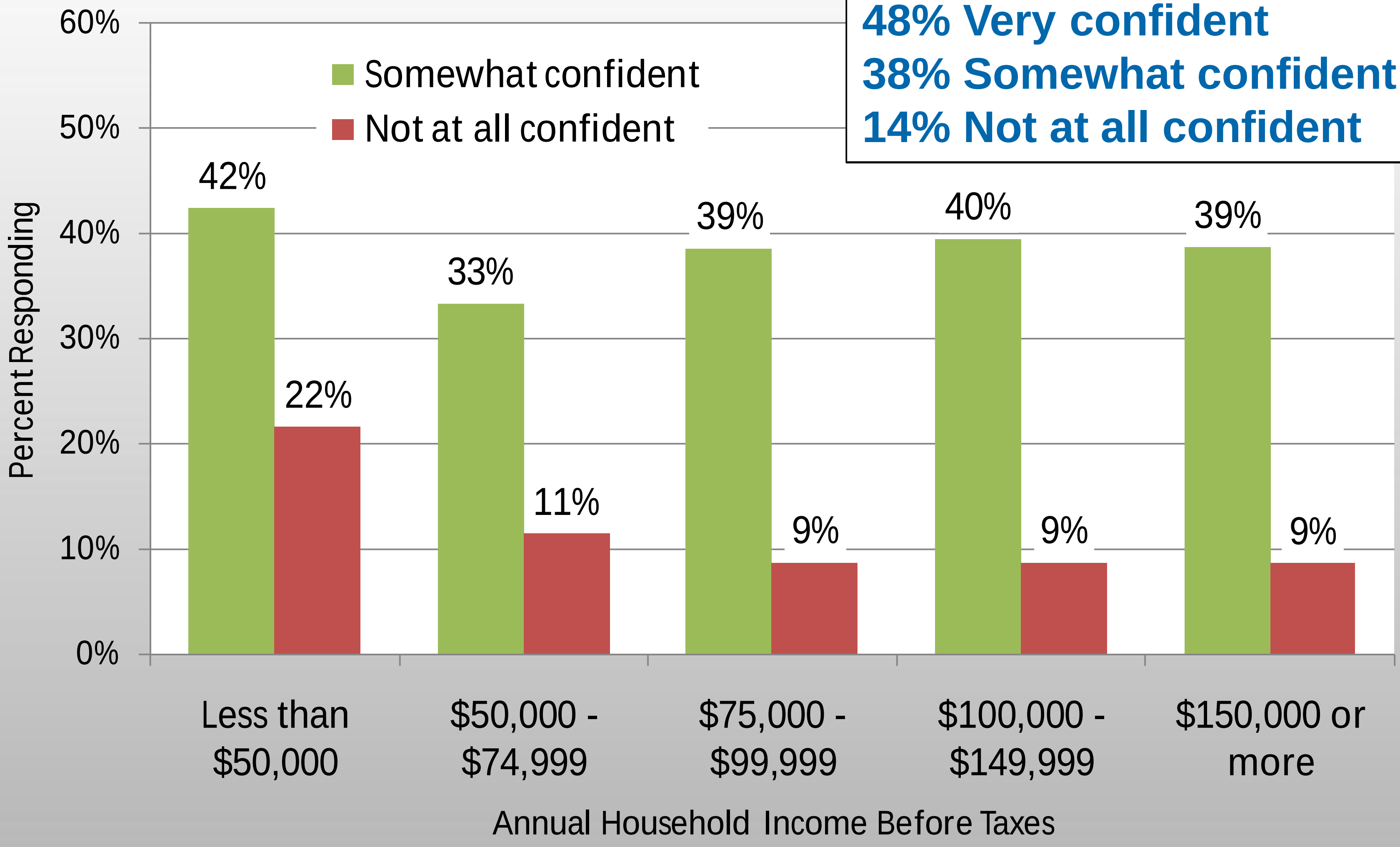
Business Travel



Perception of Job Stability Over Next Year by Income

48% Very confident
38% Somewhat confident
14% Not at all confident



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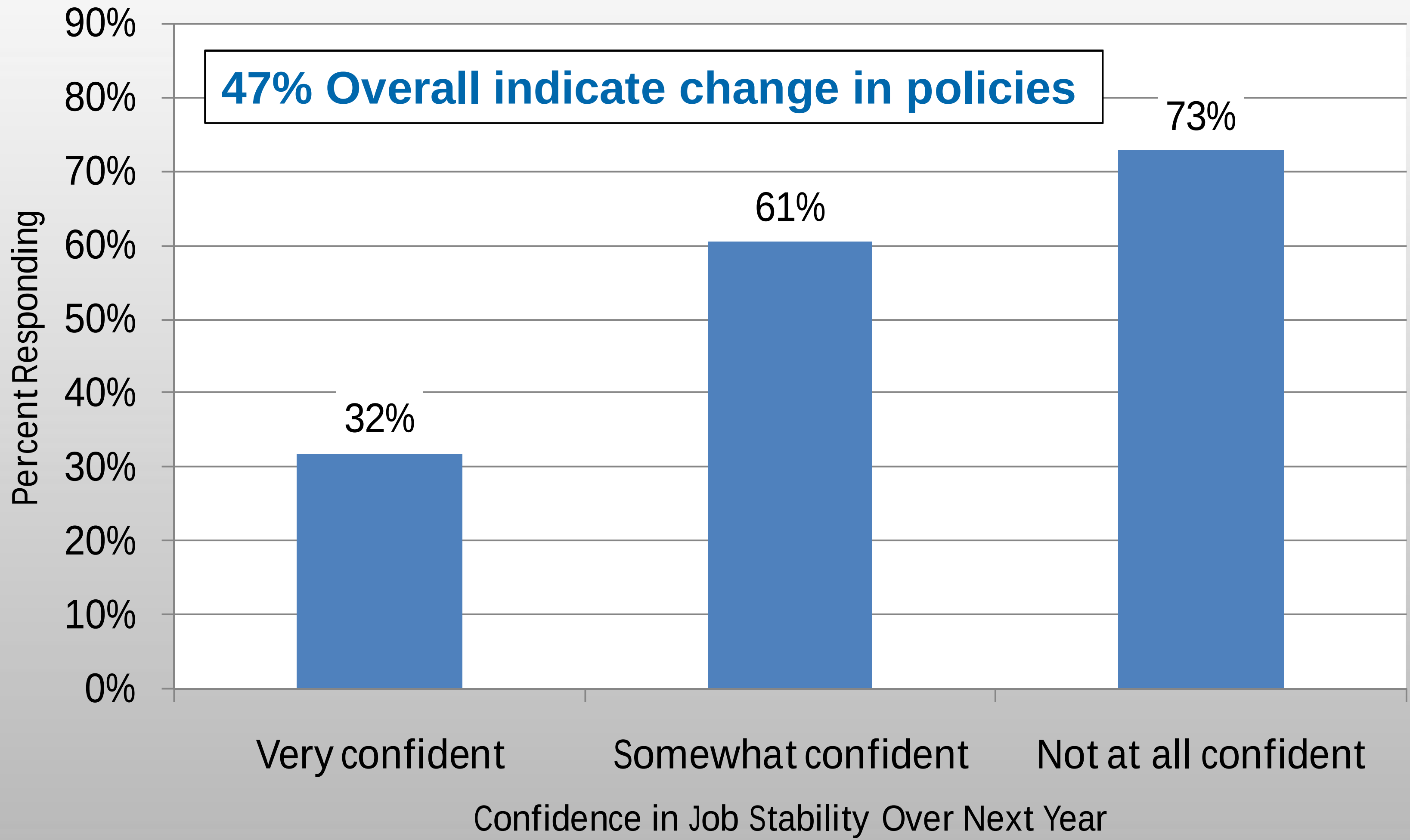
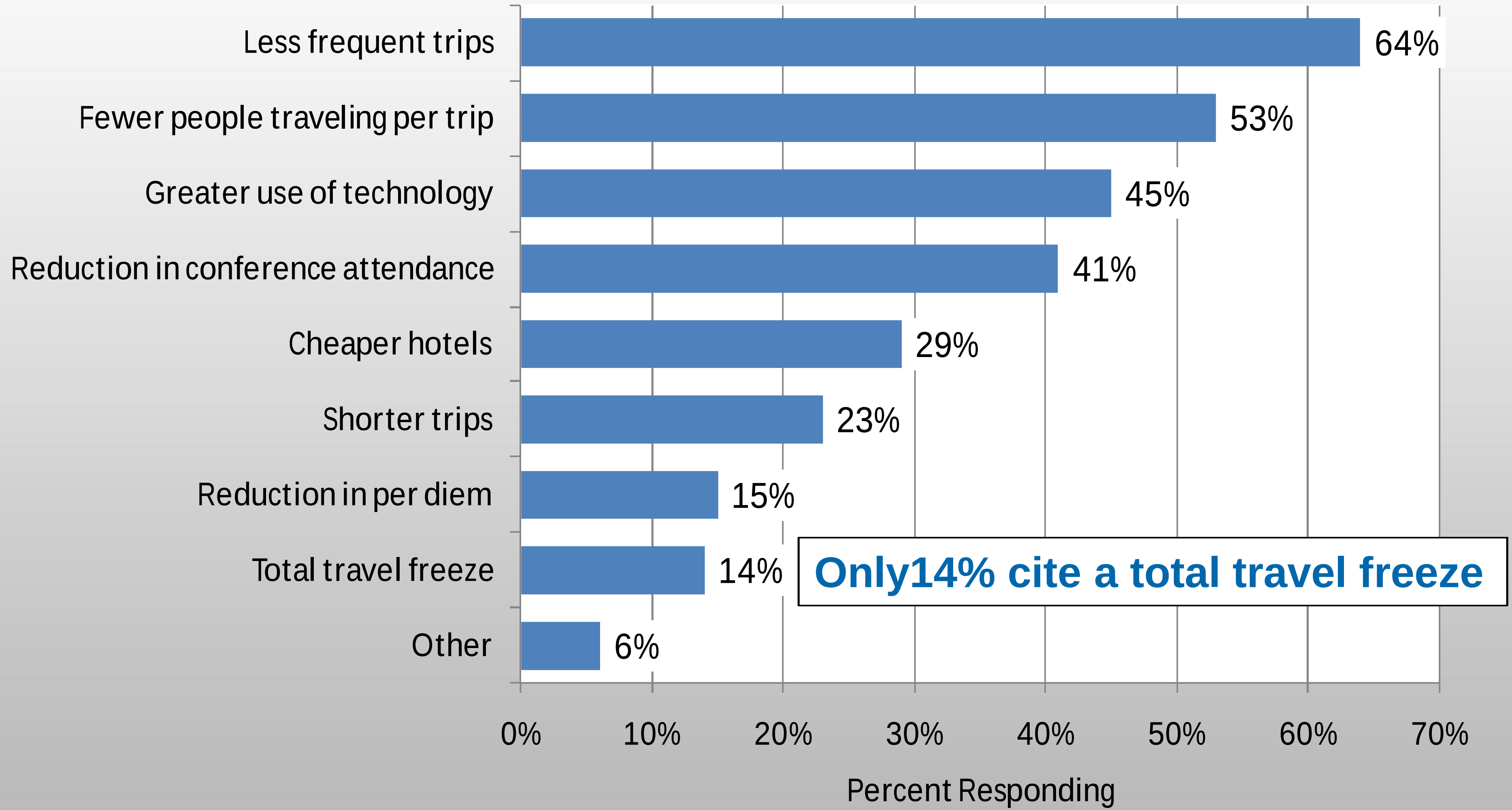
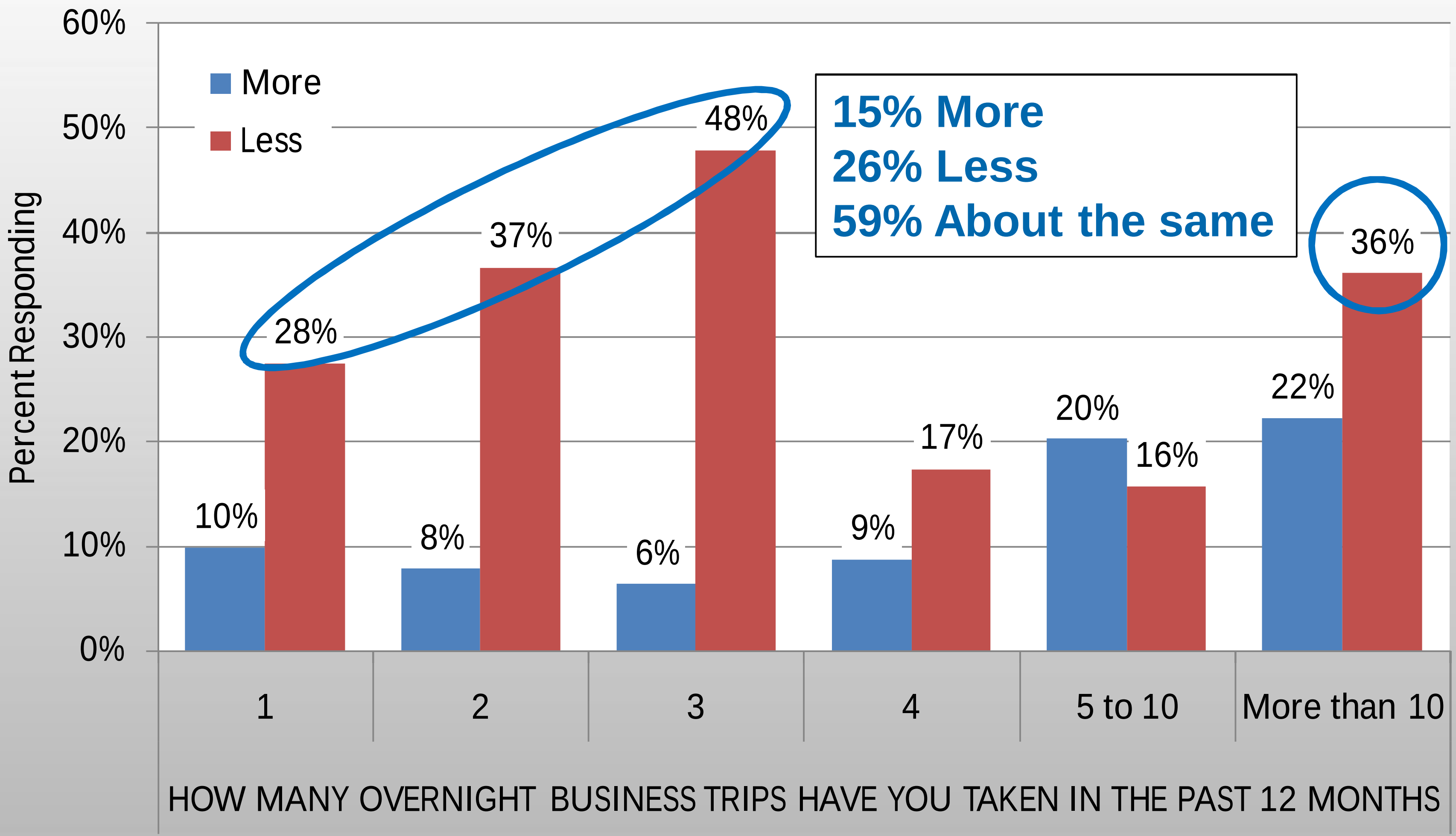
Percent Indicating Significant Modification to Corporate Travel Policies by Job Stability Rating



Specific Modifications to Corporate Travel Policies



Change in Volume of Business Travel Over Next Year by Number of Past Trips



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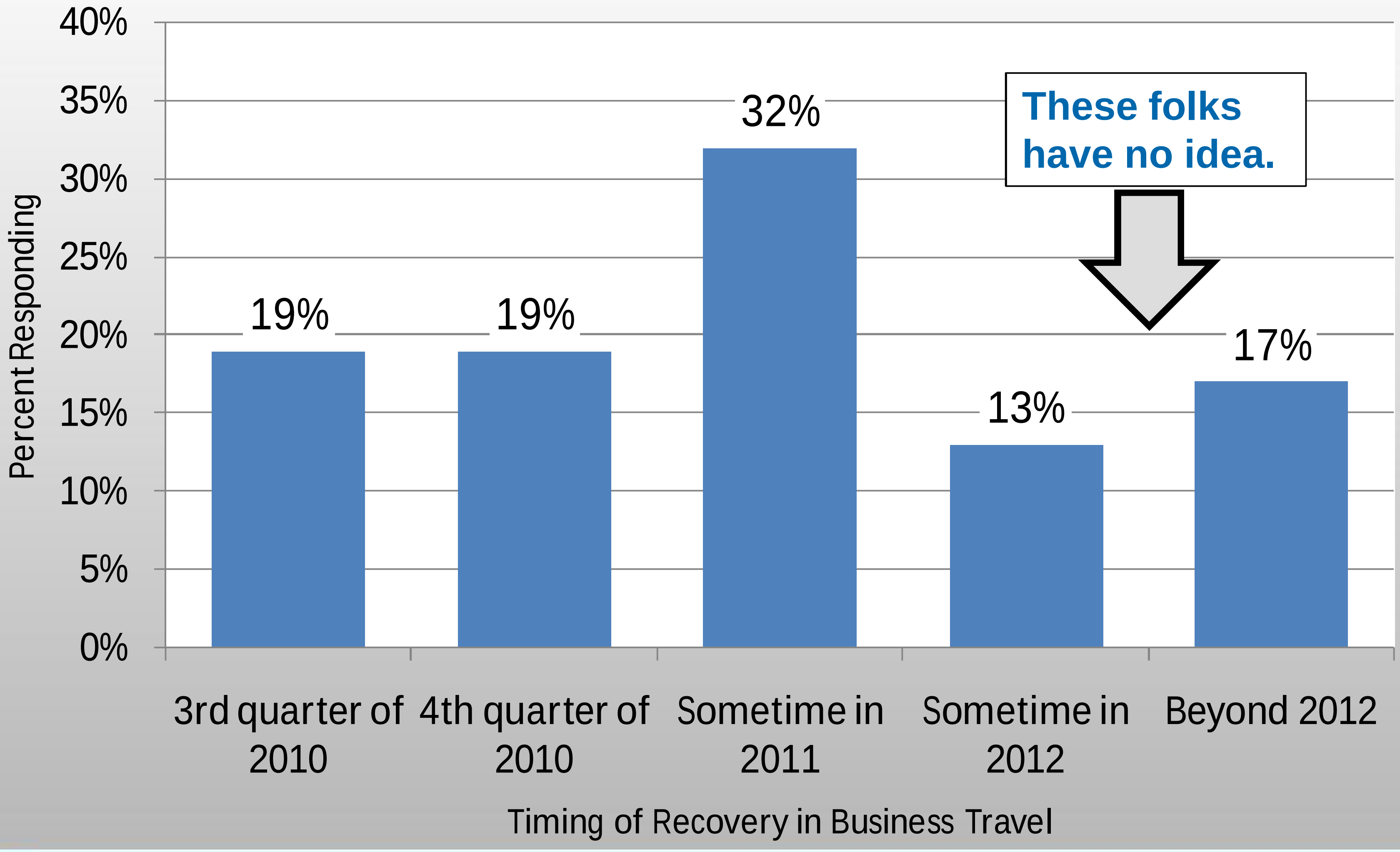
Comments Related to Reduction in Volume of Business Travel

- *“Business trips are being granted more restrictively. Only core revenue generating or client paid travel is acceptable, with limited leeway. Also, luxurious travel is being curtailed.”*
- *“Budgeting, company cutting costs, attending more virtual conferences.”*
- *“Cutting of costs - only essential travel is required. Less conferences & meetings.”*
- *“Scaling back travel expenses in general.”*

For Those Traveling Less on Business, Timing of Recovery in Volume of Business Travel



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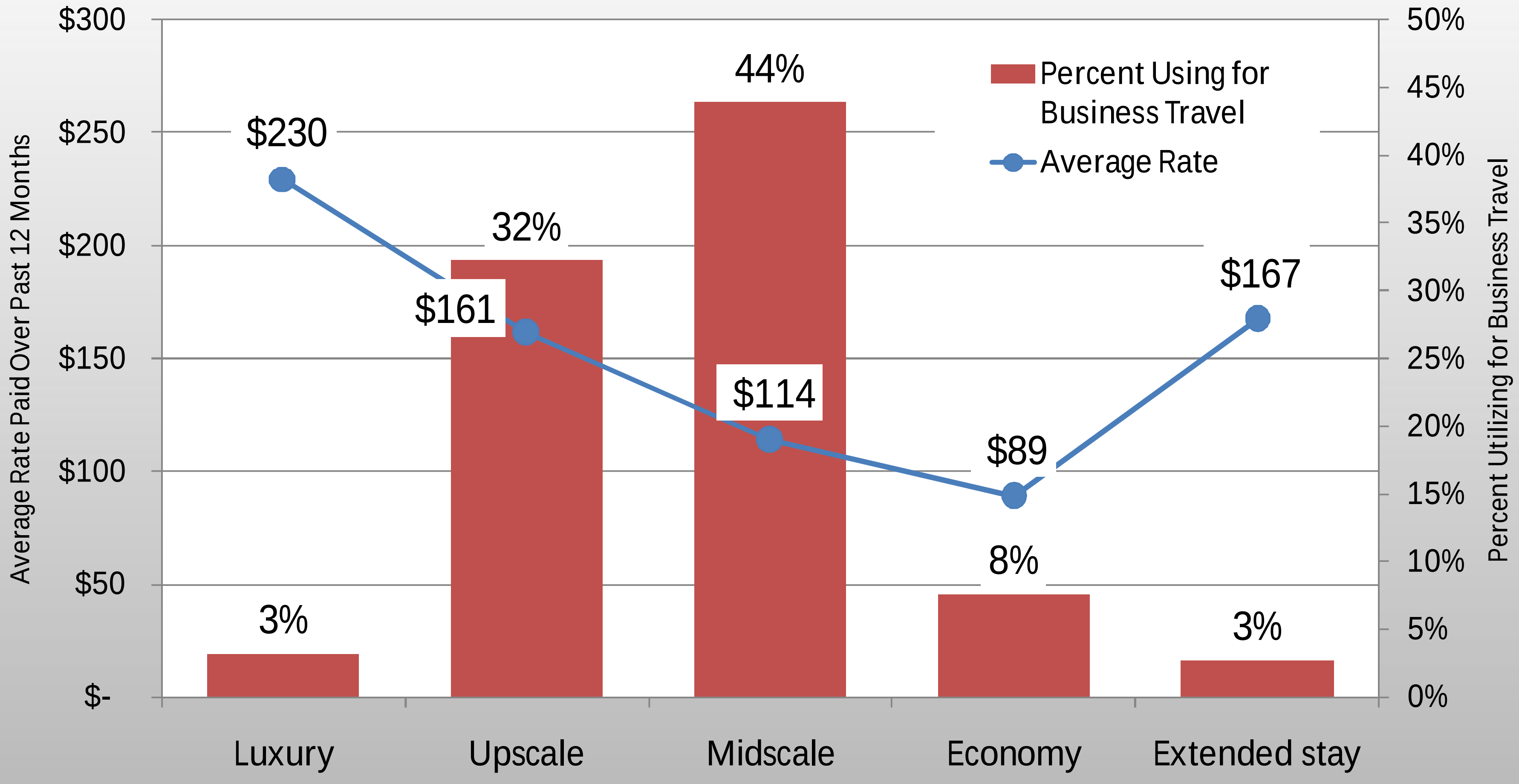
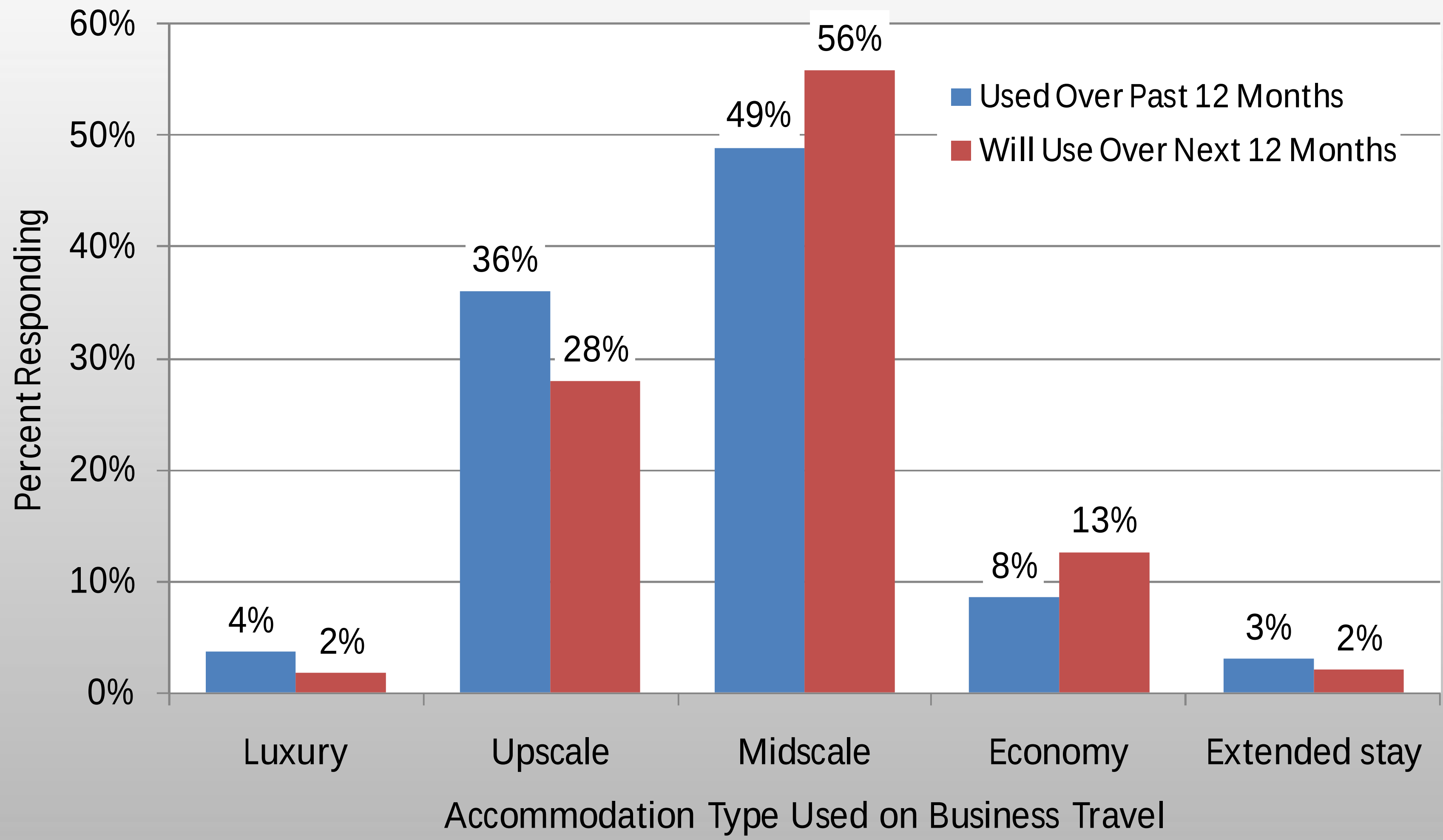
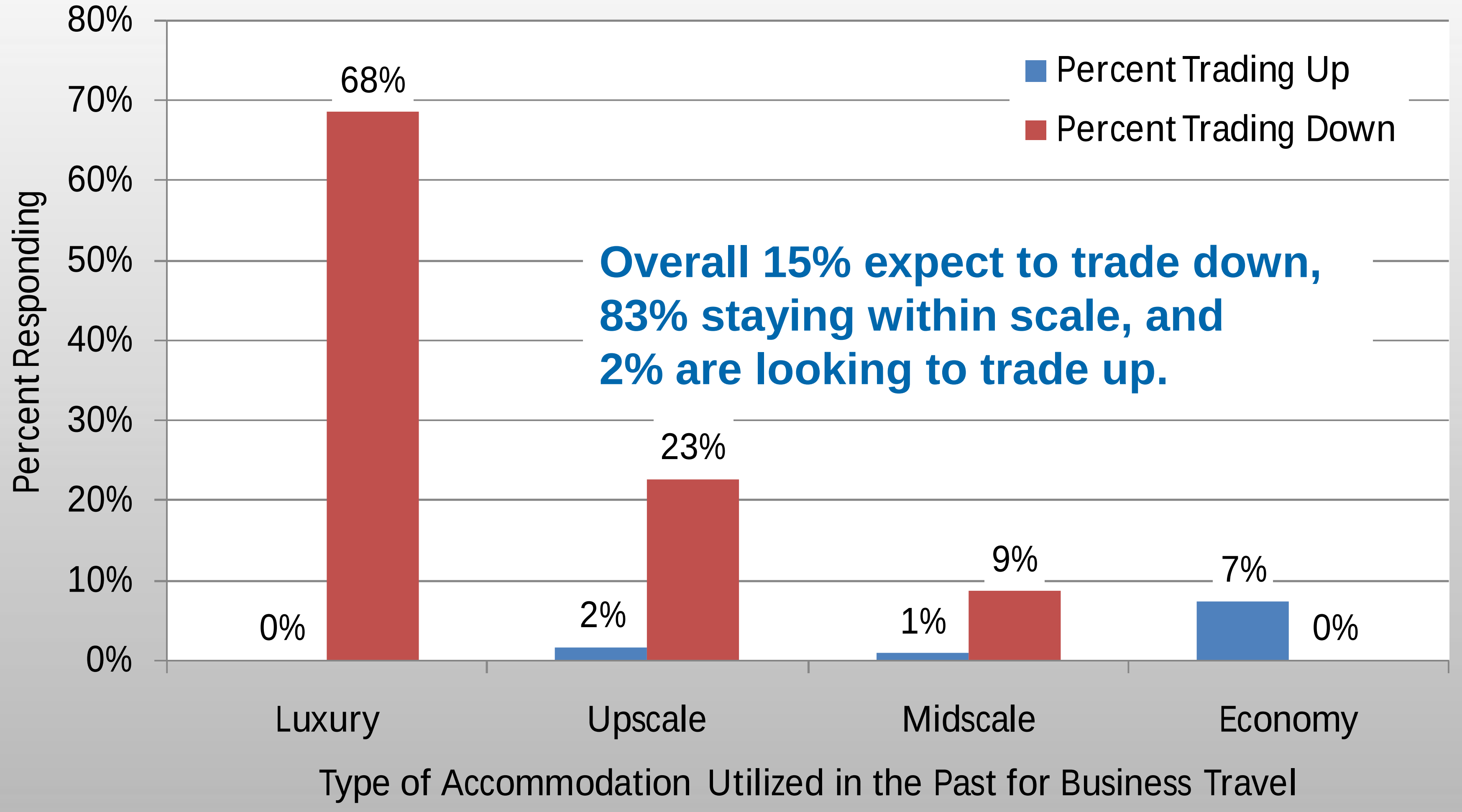
Accommodations Utilized for Business Travel Over Past 12 Months and Average Rate Paid



Accommodations Used on Business Travel: Over the Past 12 Months vs. Next 12 Months



Percent Trading Up vs. Down By Accommodations Utilized for Business Travel Over Past 12 Months



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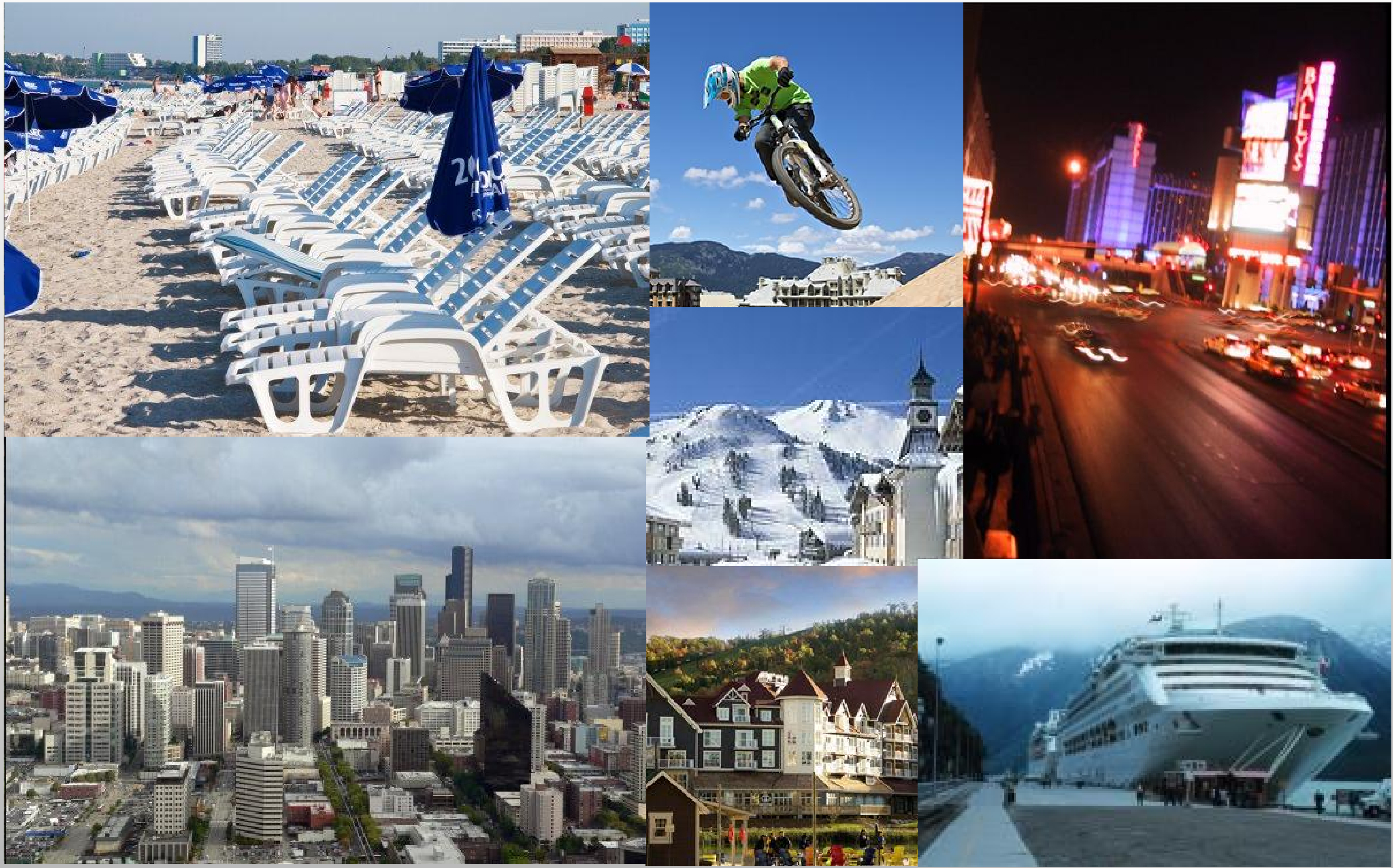
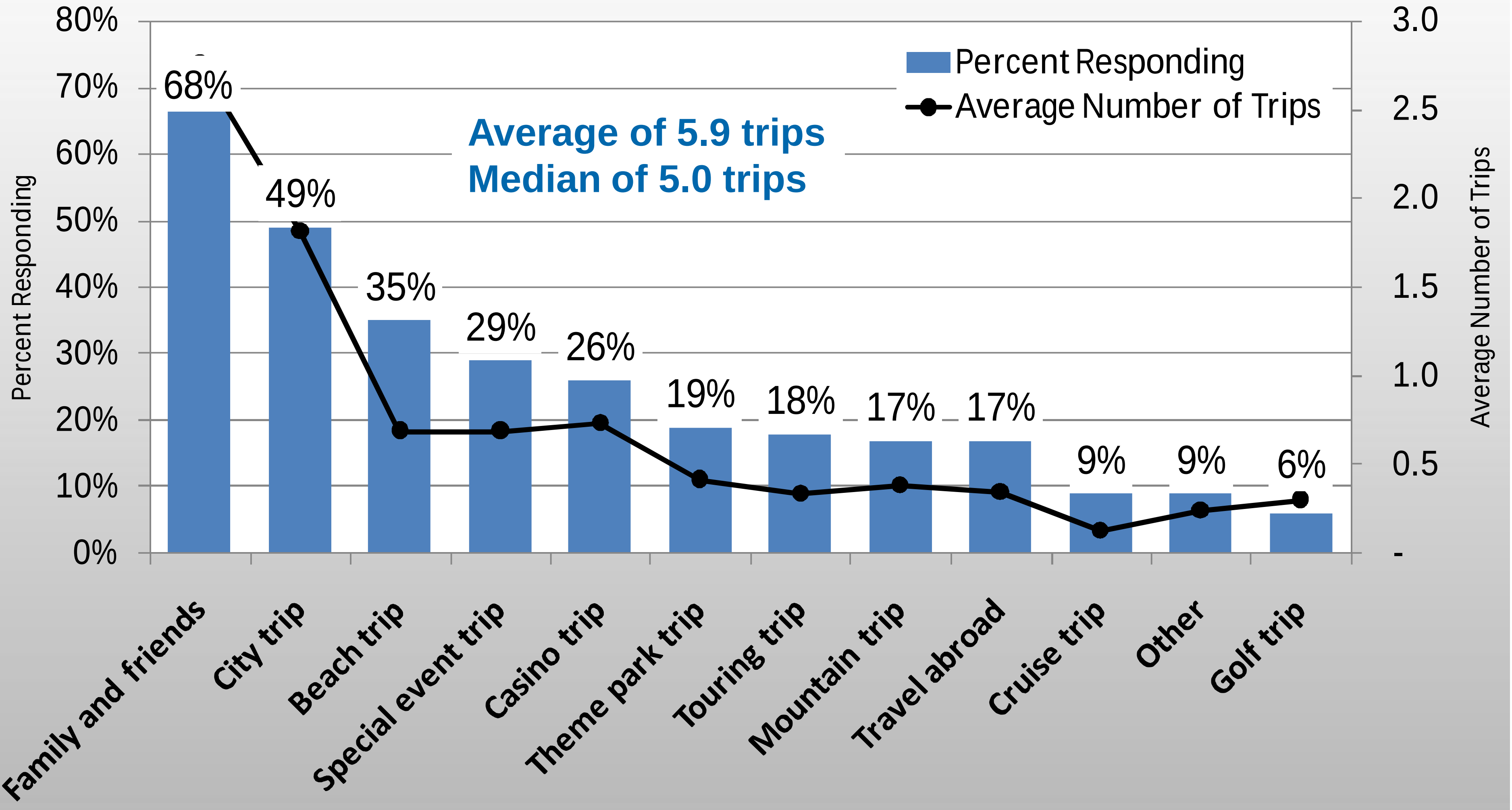
Leisure Travel



Type and Average Number of Leisure Trips Taken Over Past 12 Months



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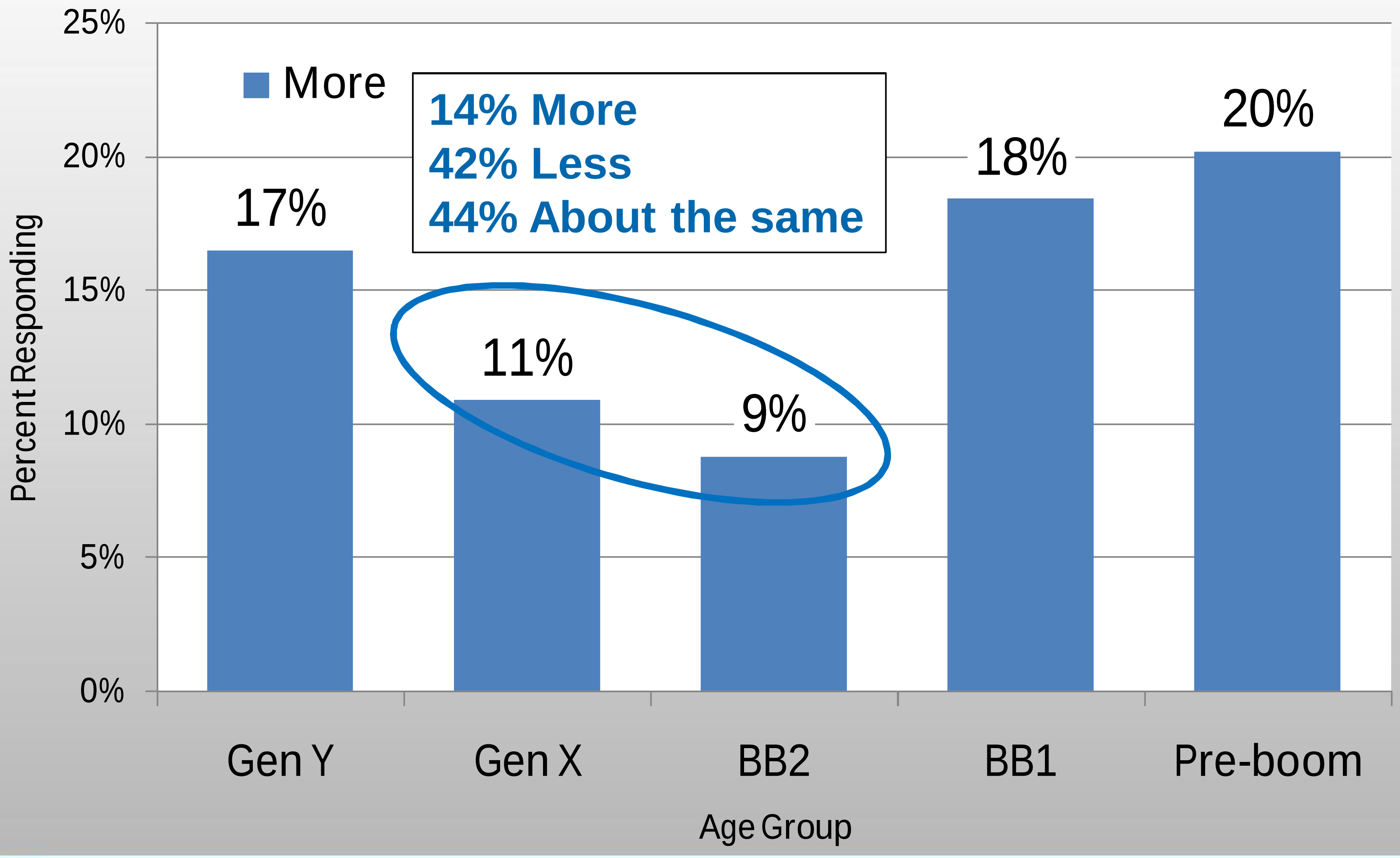
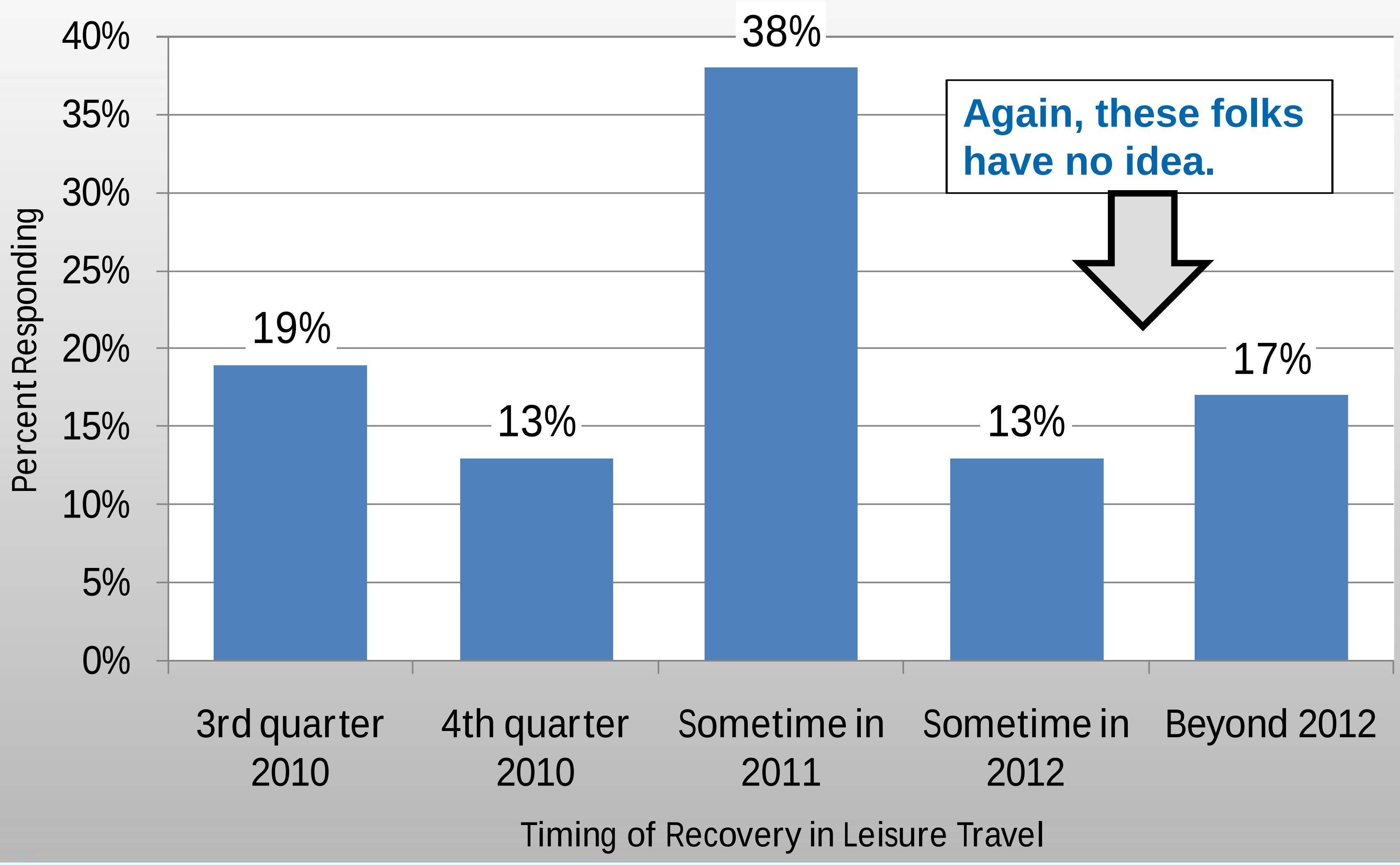
Percent Traveling More for Leisure Over Next 12 Months by Generation



For Those Traveling Less for Leisure, Timing of Recovery in Volume of Leisure Travel



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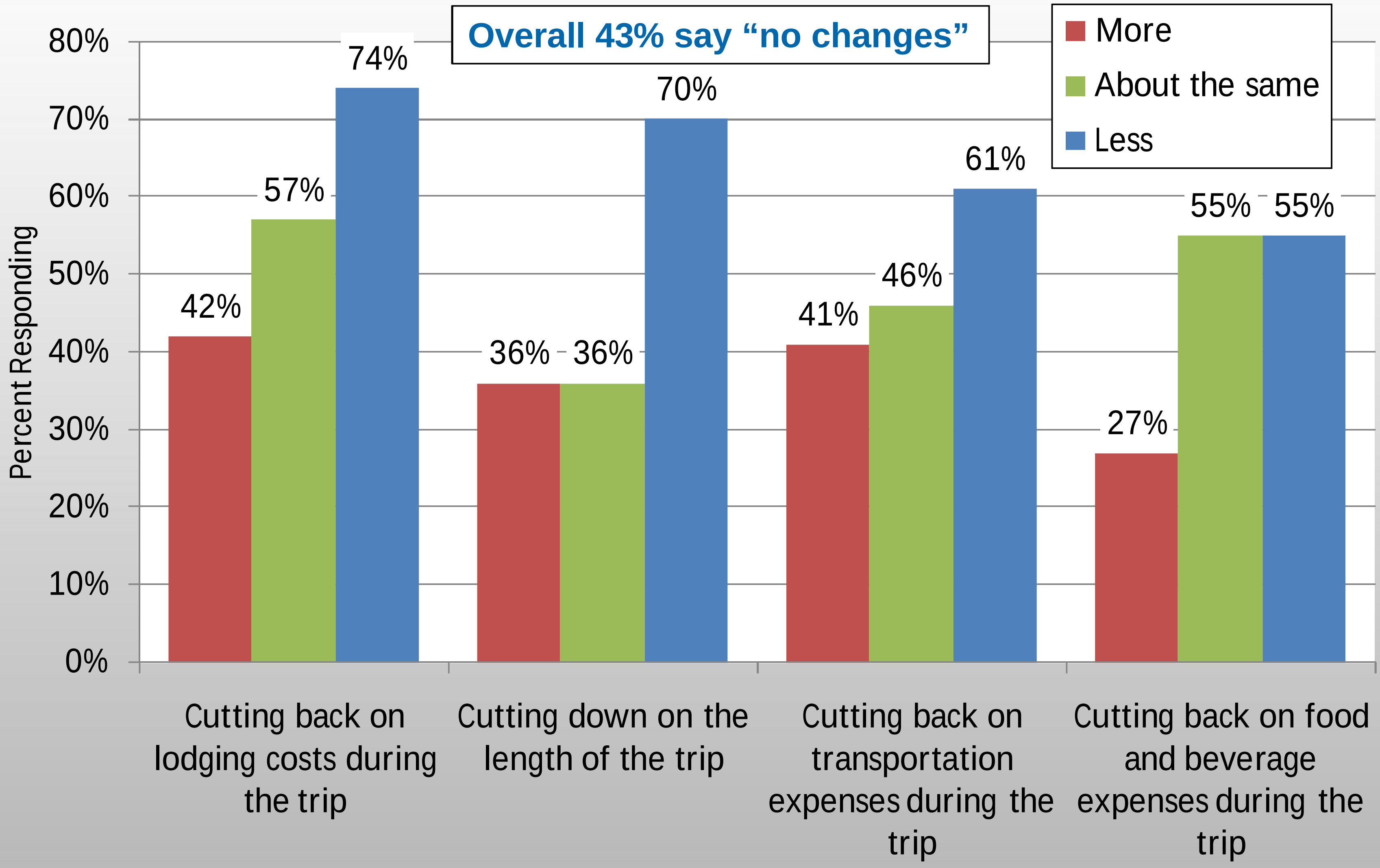
Comments Related to Reduction in Volume of Leisure Travel

- *“Less disposable income.”*
- *“Putting more money into savings and spending more wisely.”*
- *“More focused on saving money. But, honestly, might travel the same, it is getting cheap to stay in hotels due to economy. There are cheap deals online. ”*
- *“I spent more money than usual last year, so next year I will spend less. I may not take any long personal trips next year (2010).”*

Reported Changes in Leisure Travel by Intention



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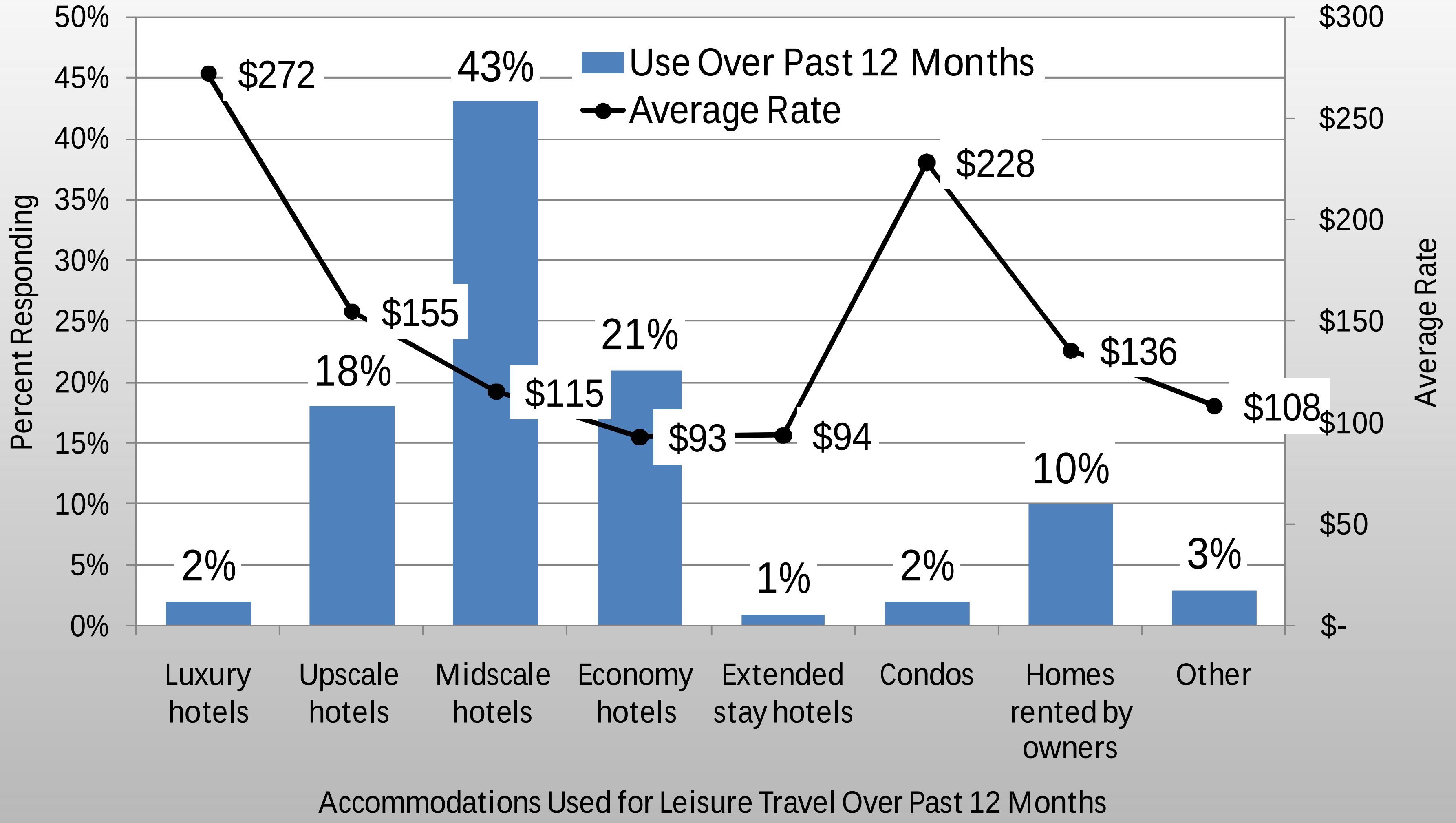
Accommodations Utilized for Leisure Travel Over Past 12 Months and Average Rate Paid



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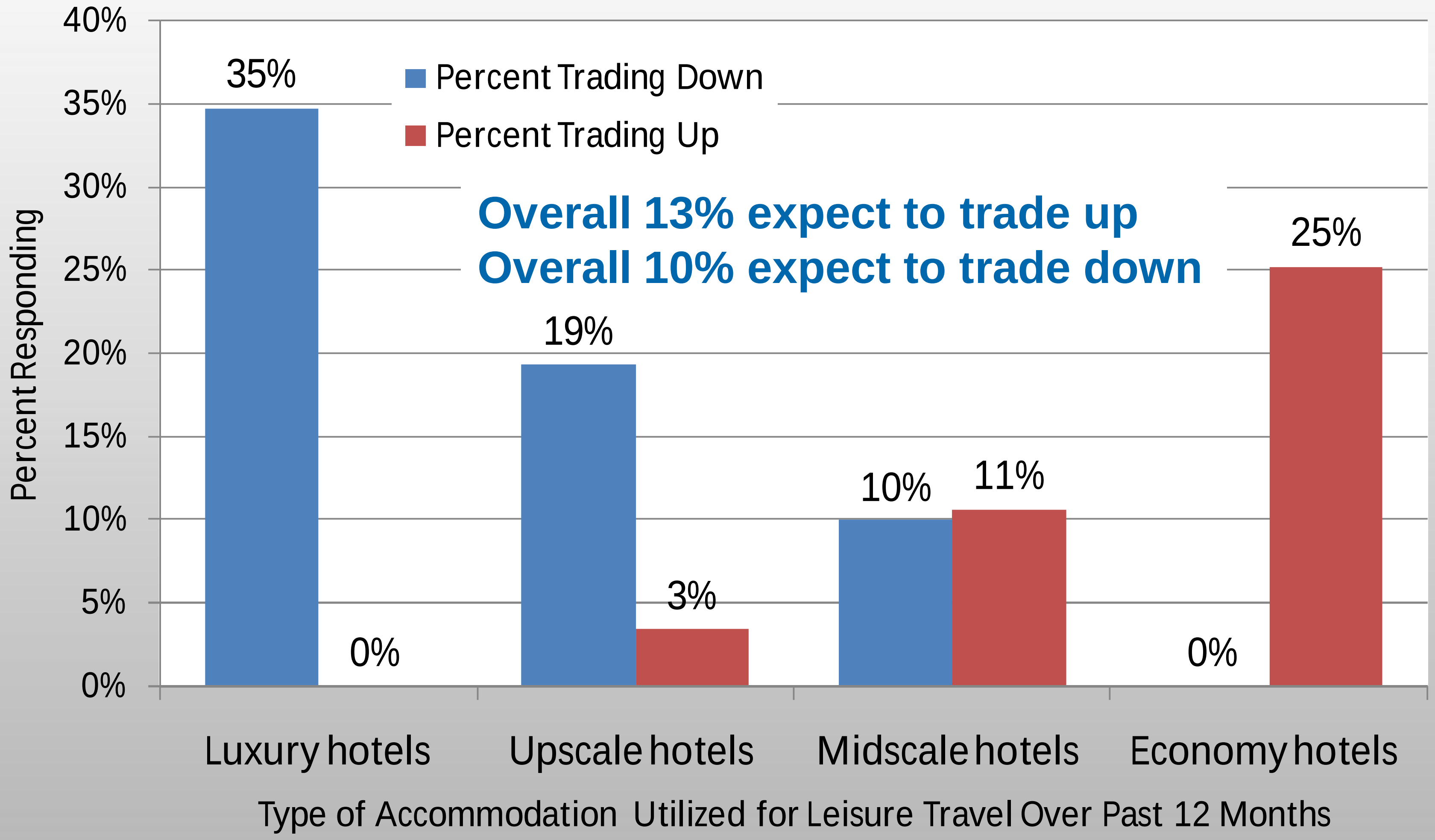
Percent Trading Up vs. Down By Accommodations Utilized for Leisure Travel Over Past 12 Months



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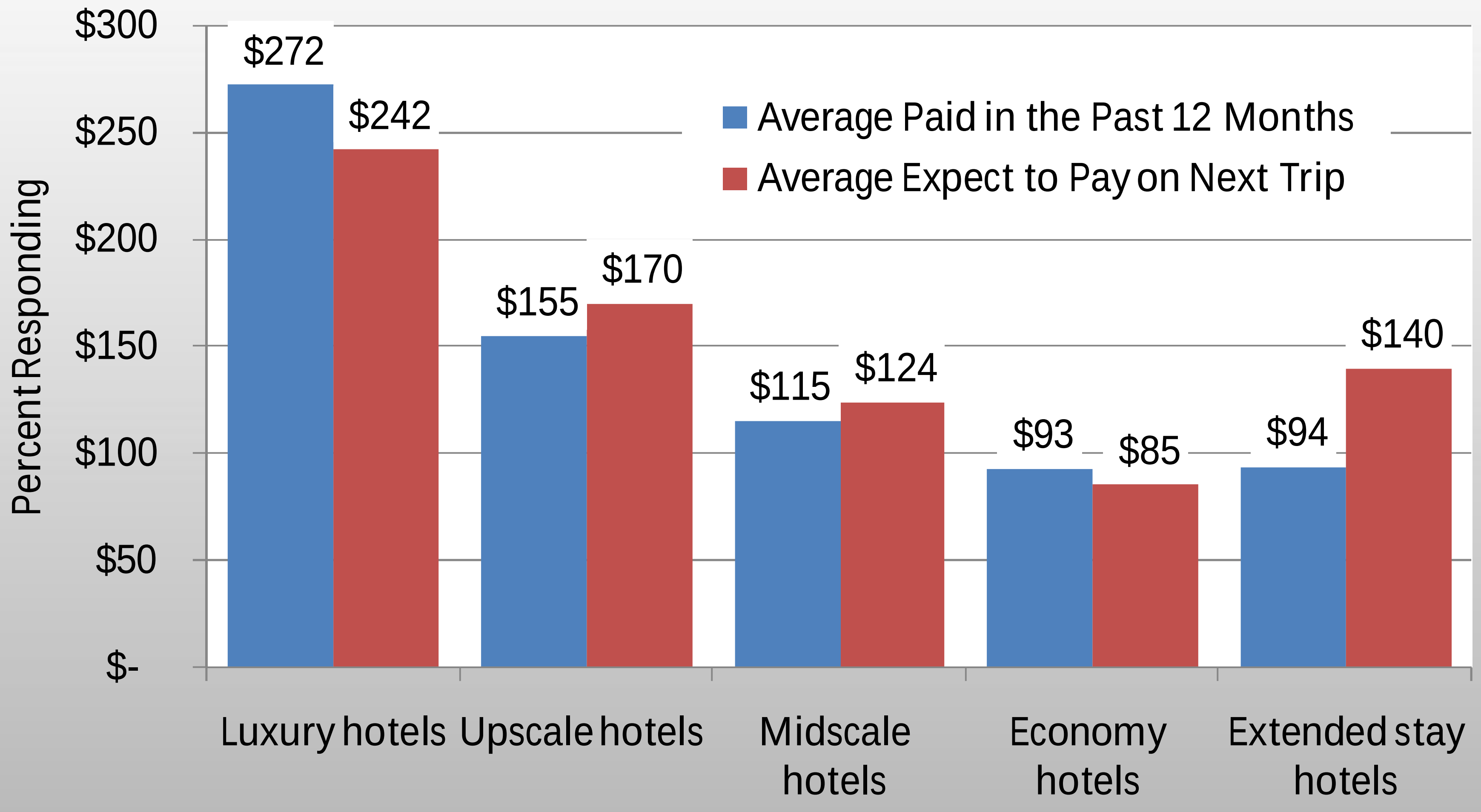
Average Rate Paid Over Past 12 Months vs. Average Rate Expected for Next Trip



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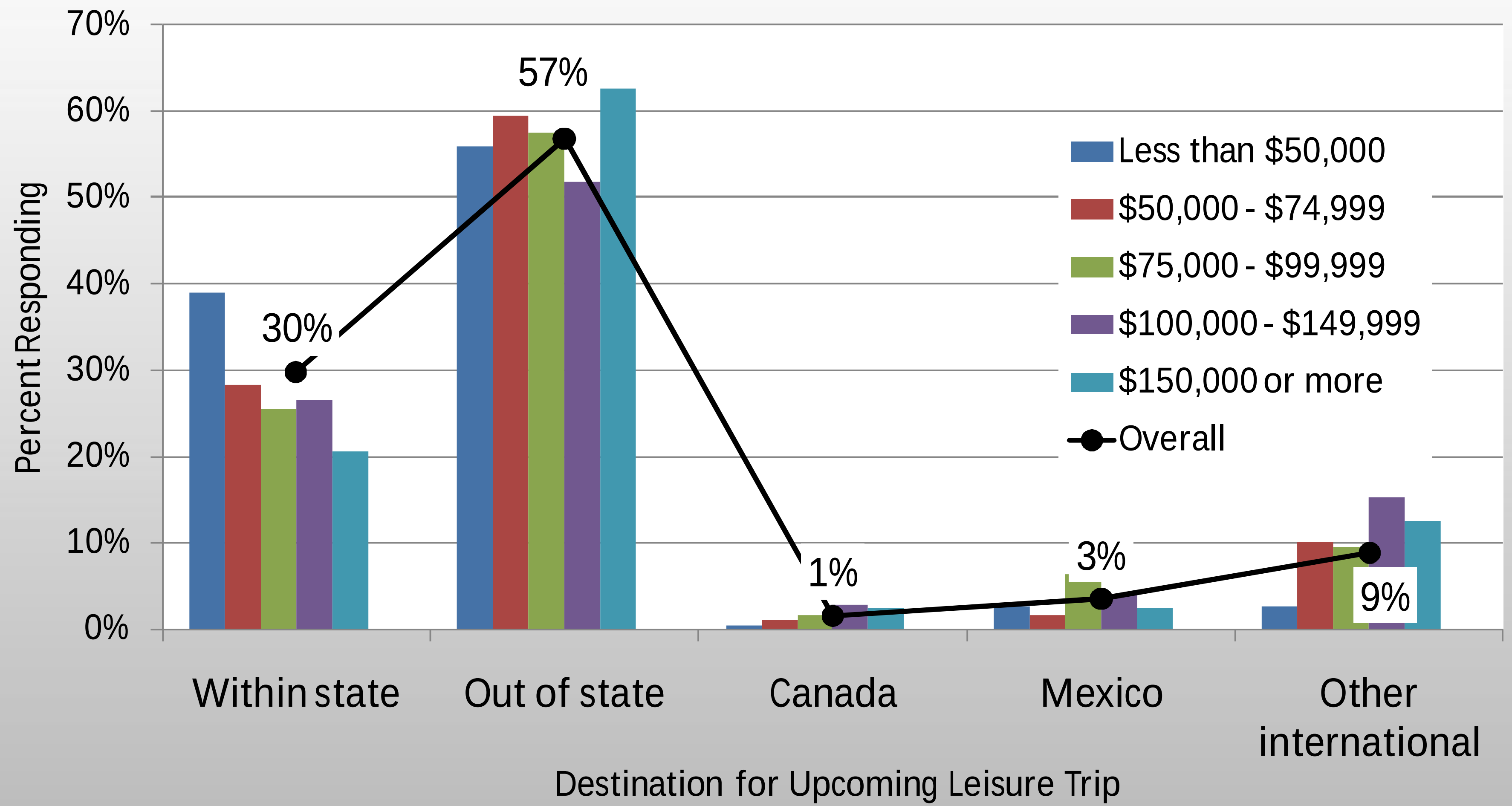
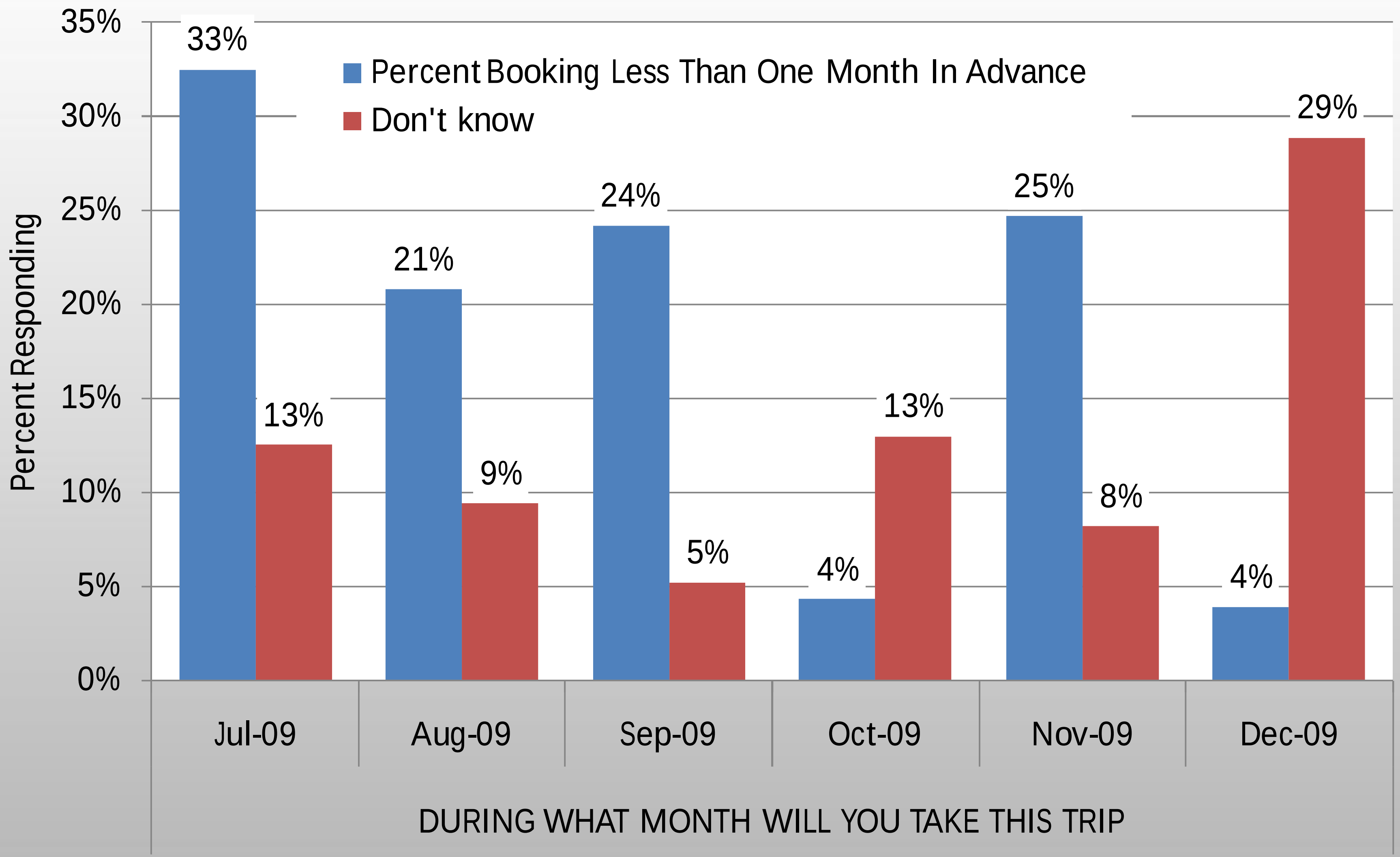
Destination for Next Leisure Trip by Income



Timing of Booking for Next Leisure Trip



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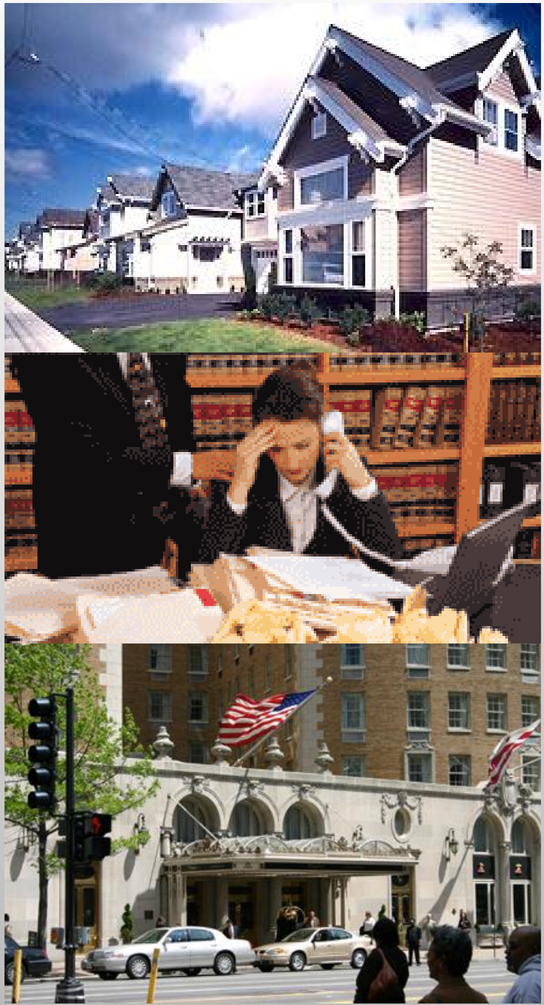
The Psychology of Recovery



- Perceptions of personal wealth and stability have never been shakier. Trillions of dollars in housing and stock wealth have been perceived to be lost.
- Enormous uncertainty exists with respect to the path and timing of recovery.
- Has this reset an entire generation's outlook? **No.**

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Conclusions

- An unrealistic number do not feel secure in their jobs.
- Luxury continues to be taboo for the business traveler.
- Travelers are more optimistic than the general population.
- For leisure travel an equal number look to trade up vs. down
- 58% of the market still prioritizes travel
- Looking for bargains but understand the price of their preferences

Questions

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