

TOURISM TRENDS--Value, Lifestyle, Experiences, Internet and Retail Resorts

Fueled by double-digit optimism, robust recovery is now underway in the \$600 billion US Travel and Tourism Industry according to experts and industry leaders. Leisure travel intention is strong. International arrivals, domestic leisure and business travel and visitor spending will all grow in 2007. The search for VALUE is driven by informed consumers who use the Internet to plan trips (69 million) and who book on line (50 million).

Shopping and dining continue to be the top tourism activities of all US travelers. While almost all travelers shop, there is a growing trend for shopping to be the primary trip purpose, according to data monitored by the Shop America Alliance.

VALUE-- People are placing a premium on value. Use of the Internet for travel research and booking has created smarter and better-informed consumers, with more access to choices, "market transparency." Choice is not always about cost only, but about the value of the overall experience. People will pay more for an extraordinary vacation experience. Disney's strategy is to reward guests with a 'memory making' experience that they can't get elsewhere."

MEGA-VALUE-- Shopping in the USA is like one huge outlet mall or half price sale to value savvy Brits, due to the strength of the pound vs. the US dollar. Some Brits save enough on their shopping to pay for the cost of their air and hotel. The UK is the #1 inbound overseas market to the USA and the primary destinations are NY, Florida, Las Vegas and California.

LIFESTYLE-- Key to success is "connecting to unserved desires." Cookie cutter vacations are a thing of the past. Desires include vacations tailored to unique interests and lifestyles. People expect control and flexibility. It's important to put guests in the driver's seat, minimize hassles. For example, "Togetherness" --reconnecting with friends and family. Disney offers an interactive "Magical Gatherings" online planning service for this kind of group travel. Another desire of families is for longer vacations. Desired Vacation = 7 or more nights. Reality Vacation = less than 4 nights. It takes most people 3 days to unwind before they can maximize their vacation enjoyment. Disney has transformed their theme parks into full scale RESORTS offering more experiences, encouraging longer vacations."

EXPERIENCES-- People want experiences, not products, and are willing to pay a premium for the desired experience. Example: the Starbucks experience. The Disney portfolio includes eleven theme parks, seven Disney vacation club resorts with 85,000 members, cruise line, water parks, sports entertainment. Positioning for Disney Resorts is marketing under one brand: "Magical Vacation Experiences the whole family can enjoy." Keys to success: identify unique experience; put that experience front and center.

Leading the trend in experiential tourism is Geo-Tourism (not be confused with Eco-tourism) a growing US and international trend tracked by Smithsonian Magazine and National Geographic Traveler. Geo-Tourism is tourism that reflects or enhances the geographic character of a place. The focus is on environment, heritage, culture, aesthetics and contributing to the well being of local residents. Elements of a positive geo-tourism experience include the local flora and fauna, history, archeology, cuisine, local culture, arts, crafts. Geo-Tourism savvy readers of National Geographic Traveler rated Vermont, Quebec City and Old Town Charleston, NC as among their US top destinations followed by Cape Cod and California Wine Country. Geo-Tourism offers business opportunities for retailers, artisans, chefs and crafts persons to capture and market the unique sense of place.

RESORTING-- defines the trend of offering a complete range of vacation experiences in one very attractive location. Now shopping centers are starting to define themselves in travel terms as retail resorts.

Barbara Wold
Retail Expert/Merchant Retention & Downtown Revitalization
P.O. Box 5755, Balboa Island, CA 92662 USA
949.675.8845 fax 949.675.7732
bwold@ix.netcom.com

TOURISM TRENDS -- FAST FACTS

- Eighty-five percent (85%) of consumers anticipate traveling as much or more in 2007 as in 2006.
- The number of international travelers to the U.S. is expected to increase 5.9% in 2007 to 57 million. What will happen in 2008 – the globe has definitely gotten smaller.
- Almost eighty million Baby Boomers – 27.5% of the U.S. population – will reach retirement age over the next two decades; many will relocate. Now, as cities and towns are becoming aware of the economic impact of relocating Boomers, many have added to their agenda efforts to attract this emerging market opportunity.
- Total airline/hotel/car rental advertising last year was \$5.1 billion, a 9.7% increase, according to Advertising Age.
- The majority of online travelers (81% or 84 million Americans) turned to the Internet for travel or destination information in 2006.
- As of January 2006, approximately 105 condo hotel projects were planned or under construction, producing 29,042 hotel rooms for sale in major U.S. vacation destinations.
- A relatively new concept within the industry, destination clubs have become a \$450 million business.
- Fifteen percent (15%) of all business trips include a child, as professionals try to balance work demands with spending more time with their family. The children-travel trend has been a gold mine for hotel chains.
- A host of new tourism products aimed at the relatively well-off traveler, aiming to provide participants with a complete escape from their daily routines, have recently formed a new segment of the tourism business.
- One-third of Americans have visited an art museum, a history museum, an aquarium, zoo, botanical garden, or science and technology center within the past six months.
- Thirty-nine percent (39%) of American adults, about 81 million people, attended a jazz or classical music concert, went to an opera, musical, play, or ballet, or visited an art museum.
- According to a recent poll, the following are the most popular destinations for spring travel: San Diego, Washington, D.C., San Antonio, Tampa/St. Petersburg, Honolulu, Orlando, Portland, New Orleans, San Juan, and San Francisco.
- After years of sleeping in the car or being smuggled into rooms via suitcase, pets are quickly becoming a marketing target within the travel industry, with approximately 60% of U.S. properties accepting pets, often offering a variety of amenities.

Barbara Wold
Retail Expert/Merchant Retention & Downtown Revitalization
P.O. Box 5755, Balboa Island, CA 92662 USA
949.675.8845 fax 949.675.7732
bwold@ix.netcom.com