

California Travel Research Bulletin

May 2007

California Hotel Occupancy and Room Rates (April 2007) —Hotel occupancy was down 1percent in California, 1.2 percent in the Pacific region and down 1.1 percent across the US. Submarkets still managing to escape the downward trends included Eureka/Crescent City, Santa Rosa, Oakland, San Jose/Santa Clara, and San Luis Obispo/Paso Robles. California RevPAR for year-to-date is 5.7percent above 2006 at this time. **Included as attachment.**

Source: Smith Travel Research, CA Lodging Industry Performance, May 2007.

International Arrivals to the US up 9 percent – The U.S. Department of Commerce announced that 2.9 million international visitors traveled to the United States in February 2007, an increase of 9 percent over February 2006. Total visitation year-to-date 2007 was up 7 percent from the first two months of 2006. International visitors also spent \$9.2 billion during the month, up 8 percent from February 2006.

- Overseas arrivals (which excludes Canada and Mexico) were up 5 percent through February 2007. Arrivals through the top 15 ports-of-entry accounted for 86 percent of all overseas arrivals and were down over one percentage-point from the top 15 in 2006. This indicates increased use of secondary ports.
- Ten of the top fifteen ports posted increases in arrivals for the first two months of 2007. New York posted a 10 percent increase in arrivals and moved ahead of Miami, which increased six percent. Arrivals through Newark were up 18 percent moving it into 7th position, ahead of San Francisco, which was up by 11 percent.

Source: TI News, 5/22/07, Office of Travel and Tourism Industries, <http://www.tinet.ita.doc.gov/view/m-2007-l-001/index.html>

California Qualitative Research, Winter 2007. – In January and February 2007, 245 interviews were conducted in English and Spanish, and 12 focus groups were held in key markets to gain insight into traveler perceptions and images of California. **Included as attachment.** Among the findings:

- Prominence of four consistent themes: abundance, opportunity/discovery, freedom, and unique lifestyle.
- Hollywood, food and wine, and select icons viewed as an integral part of the California lifestyle.
- Ideal Spring/Summer vacations revolve around the beach and the most ideal Fall/Winter vacations include snow, comfort (fires, comfort food, etc.) or escaping the cold, depending upon place of residence
- California as “Best of America” : best scenery, best food and wine, best indulgences (hotels, spas, etc.), best climate/sunshine, best and longest coastline.
- Internet is key tool.

Source: Smith & Company, for Mering Carson, May 2007

Online Travel Purchases - By the end of this year, more than half of all travel in the U.S. will be purchased online. 34 million Americans have made the Internet the number one way they buy their leisure travel. Online travel sales are expected to top US\$136 billion.

Source: The PhoCusWright *Consumer Travel Trends Survey*, PhoCusWright , 5/23/07.

Chinese Group Leisure Travel to the U.S. on the Horizon – New agreements allowing tourism companies to arrange trips for Chinese travelers to the United States move a step closer towards expansion of Chinese group leisure travel to the United States. The Chinese travel market is expected to grow to 100 million travelers within the next 15 years according to the UN/World Tourism Organization.

Source: U.S. Dept. of Treasury, 5/23/07.
<http://www.ustreas.gov/press/releases/hp417.htm>

Trends Reshaping the Meetings Industry – Four trends highlighted by panelists at the Professional Convention Management Association 2007 Annual Meeting in Toronto, moderated by Peter Yesawich:

- Technology –Two-thirds of all business travelers regularly consult the Internet to plan business trips, and 56 percent of all travel is booked over the Internet.
- Shifting Social Values – “The number of parents who bring their children on business trips, including meetings, continues to rise.” (Yesawich)
- New consumerism –“... four out of 10 [adults] say they will not buy a product if they do not like the company. They can blog it, boycott it, and not buy it.” (Yesawich)
- Changing demographics - “Every nine seconds someone turns 50 years of age in America,” Yesawich said. That translates into four million more ‘50 somethings’ this year.(Yesawich)

Source: “Megatrends”, in PCMA Convene, March 2007,
http://archive.pcma.org/conv/Mar07/Convene_Mar07_28.pdf

The Online Metrics Handbook for Travel Marketers – This new 59-page handbook produced by the Travel Industry Association and the Foundation of the Hospitality Sales and Marketing Association International explains why, when and how to use various types of online metrics:

- Web analytics of traffic, transaction, and campaign tracking;
- Online attitudes and behavior of consumers
- Key Performance Indicators (KPIs);
- The value of benchmarking;
- The role of industry-wide data
- The role of profiling web visitors, and
- Emerging metrics based on social media.

Available to TIA research subscribers at no additional charge, \$400 for non-subscribers,
<http://www.tia.org/pubs/pubs.asp?PublicationID=119>

Spring Travel on the Rise Despite High Gas Costs – Despite record fuel prices above \$3 per gallon, 1.8 percent more Americans will travel by car over the Memorial Day holiday weekend than a year ago, according to a survey by travel agency AAA. In a sign that energy costs will affect behavior, however, AAA said travelers are planning to stay closer to home and take shorter trips. The number of Americans traveling by plane is expected to rise by 1percent.

Source: USA Today, 5/17/07, http://www.usatoday.com/travel/news/2007-05-17-travel-aaa-forecast_N.htm

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