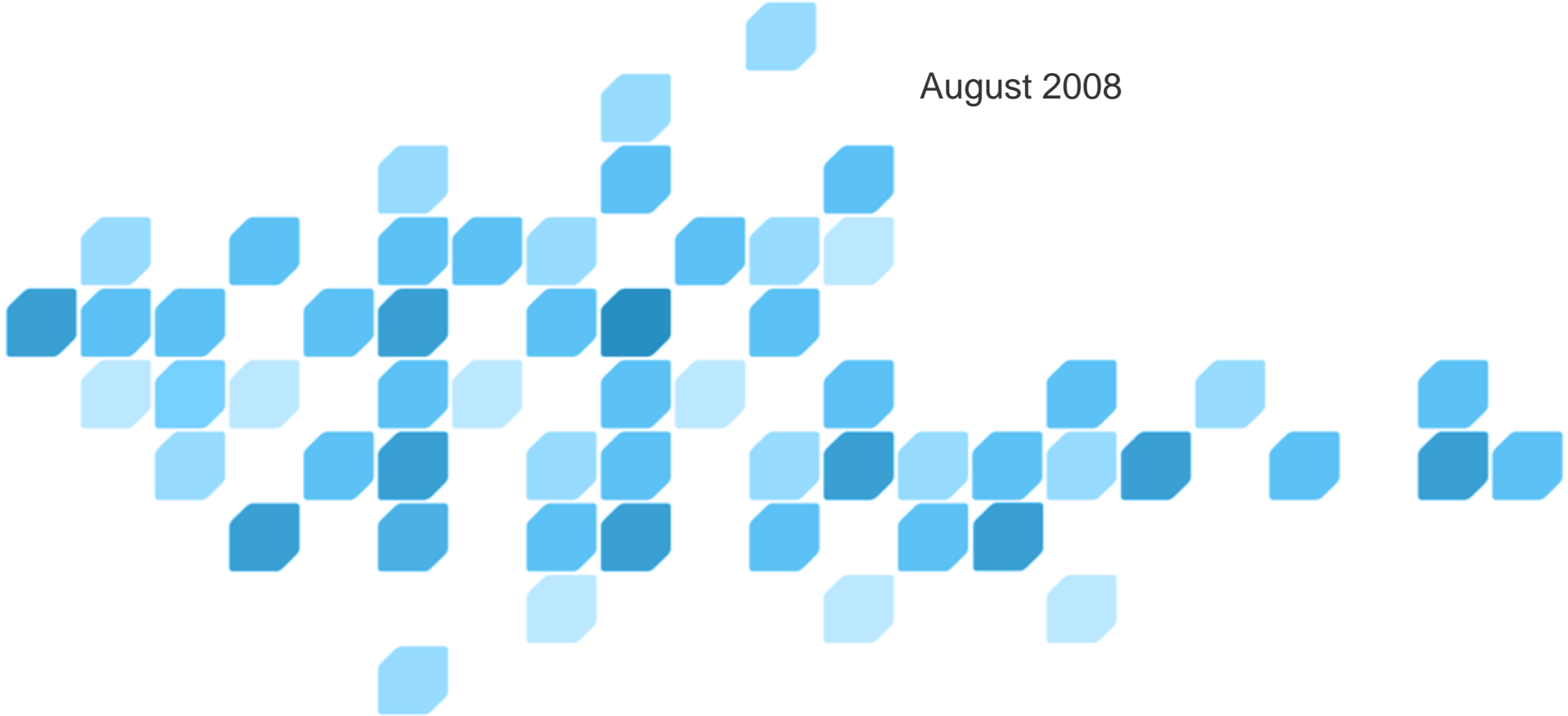


Topical Travel Insights August 2008 Omnibus

August 2008



Methodology

TNS included travel expectation measures in the August Omnibus study among the TNS 6th dimension US panel members. Results dovetail with three earlier Omnibus (March, April, and July 2008) as mentioned in the Key Expectations.

Results are weighted to be representative of US households.

Key Expectations

TNS is pleased to present results of this brief survey assessing the impact of gasoline prices on travelers' next six month travel plans.

Key results indicate:

- Although the majority (59%) of US adults expect to take an auto leisure trip (50+ miles) in the next six months, half (50%) of those travelers anticipate taking fewer trips because of the cost of gasoline – similar results to last month's Omnibus study. Specific changes in behavior cited because of the cost gasoline include:
 - Fewer trips (50%) – and most (80%) of those respondents expect to reduce the number of trips by at least two
 - Cut back on expenses (39%) – somewhat more than a month ago (35%)
 - Reduce the number of miles driven (26%) or number of days on the trip (18%)
 - Affluent travelers are most likely to ignore the effect of gasoline prices (40% of those earning \$75,000 claim *no impact* vs. 25% of lower income levels).
- The April 2008 survey indicated uneasiness about the economy, with recession and value of the dollar each cited by about a third as causes for reducing their travel plans. In addition, worries about mortgages (10%) and jobs (13%) reached double digit levels among this group (travel-reducers). Will the discussions during the upcoming election season heighten or diminish those concerns?

Labor Day Travel:

- One in four (26%) expects to travel during the upcoming Labor Day holiday, especially those with children (32% -- perhaps enjoying the last major break before school begins in earnest), the most affluent (32% of those in households with earnings of \$75,000+), and those under 40 (35%)
- Of Labor Day travelers, slightly more than half (54%) expect to stay within 100 miles of home; even affluent travelers (exactly half) have similar expectations to stay close to home.

The Influence of Green:

- A new topic this wave, a sizeable minority (25%) of travelers registers a *large/significant* concern about how their travel impacts the environment
- On the other hand, that means 75% note that their travel's potential impact on the environment has little/no influence on their travel decisions. Little difference appears by demographic segment.

Implications:

As noted in earlier reports, competition will intensify further as destinations struggle to capture the attention of travel decision-makers. Travelers' expectations to cut back on travel and then cut back on spending when they do travel exerts downward pressure on all destinations (and destination types of trips such as cruising). The tendency to stay close to home (fewer miles driven) may bolster local markets – and destination marketing plans may take that into account. The reduction in travel (fewer trips) also suggests that travel's competition broadens into the areas of home entertainment or home improvements.

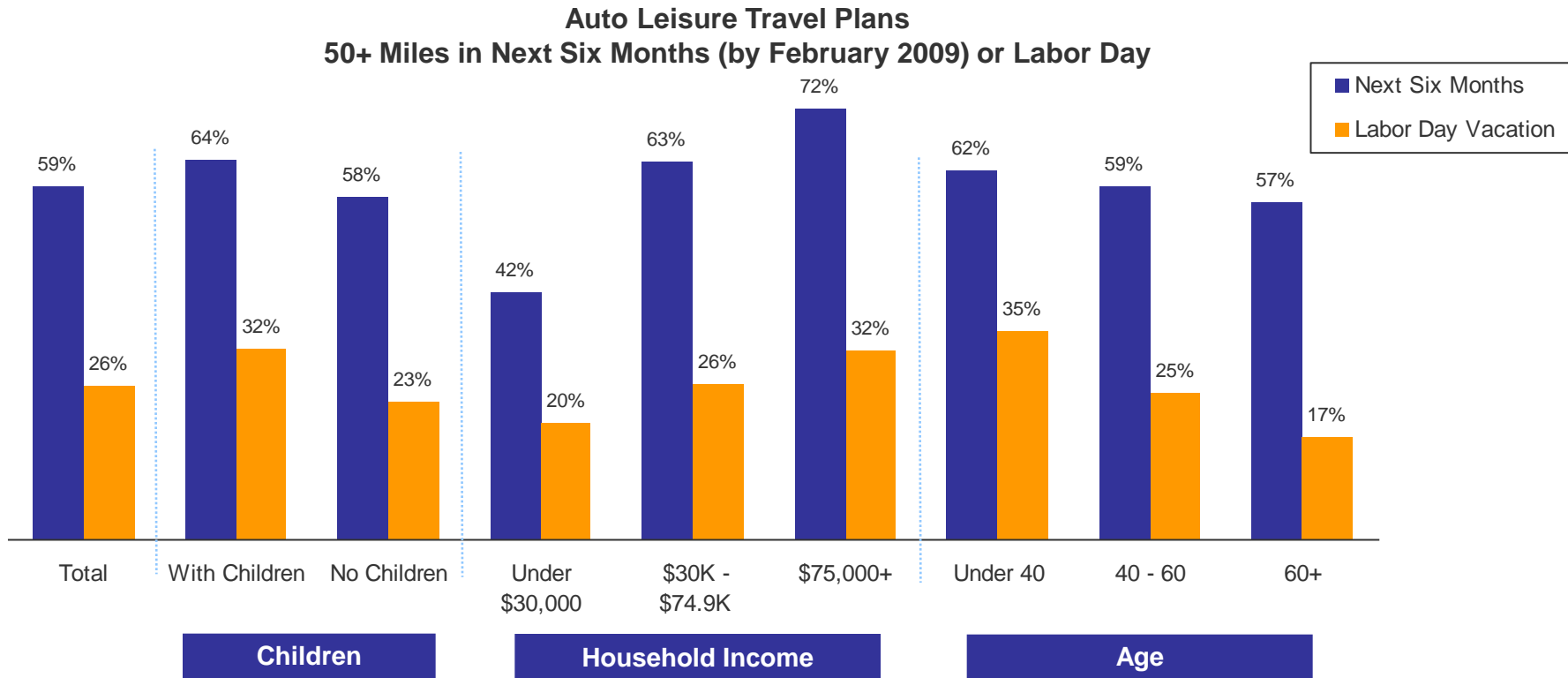
Bright spots:

- Many currently expect to take advantage of the Labor Day break
- Although still a small influence, the "greening" of travel appeals to many travelers.

Travel Plans

A majority of US adults expect to take an auto leisure trip (50+ miles) in the next six months:

- The decision to travel is most strongly influenced by household income – the only segment that falls below half for expected travel is the group that earns the least – under \$30,000 (42%)
- Younger people appear more likely to travel in the next six months than older ones, but the gap is small
- Labor Day vacation plans mirror the pattern of next-six-month travel plans, but at a reduced level; about one in four (26%) expects to take a Labor Day trip.



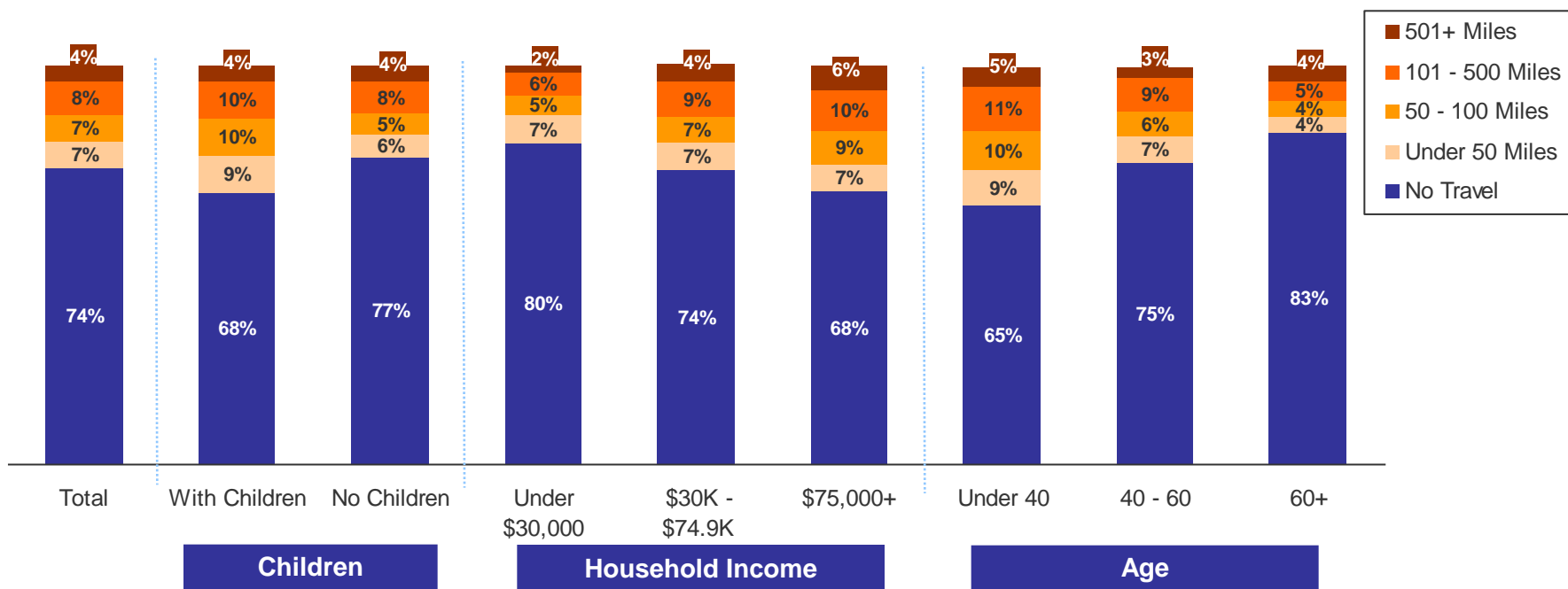
Do you plan to take a leisure trip by personal motor vehicle of 50 miles or more from your home in the next six months or not?
Are you taking a Labor Day vacation?

Labor Day 2008 Travel – How Far?

Of the one in four (26%) adults expecting to travel over Labor Day weekend:

- More than half (14% out of 26%) will stay within 100 miles
- Affluent travelers (\$75,000+) are more likely than others to expect to take a trip (32%), but only slightly more likely to venture farther (16% over 100 miles)
- Younger adults are most likely to travel (35%), but over half (19% within 100 miles) expect to stay close to home
- Those with children 33% have much greater interest in a Labor Day trip (perhaps the last trip before school begins in earnest?) than those without children (23%).

**Auto Leisure Travel Plans
Labor Day Vacation**



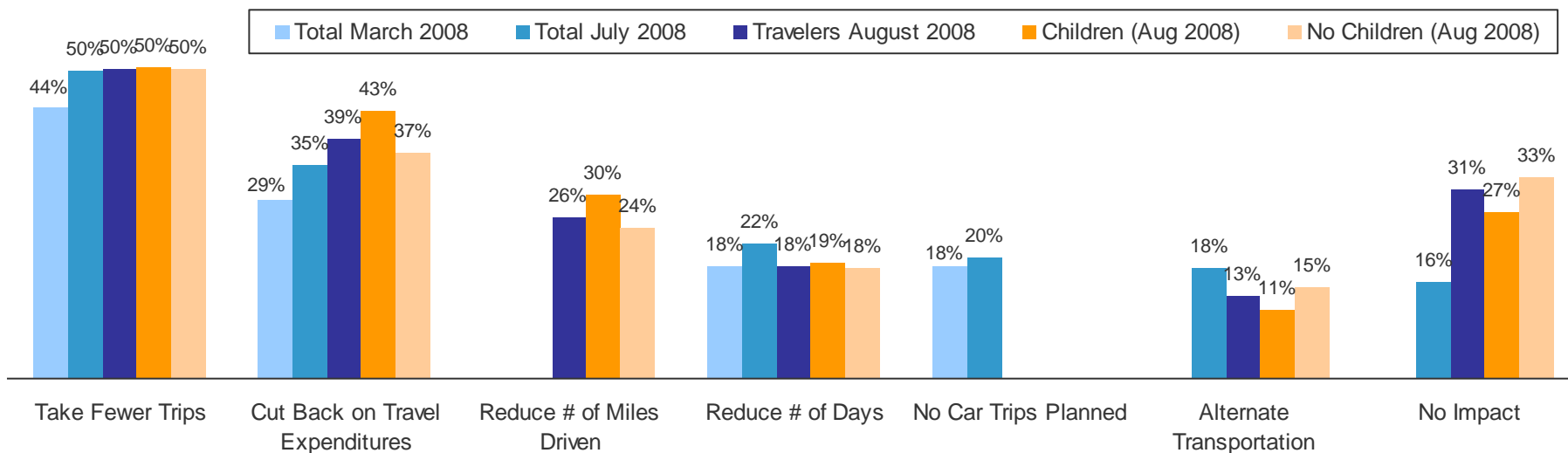
Are you taking a Labor Day vacation? If so, how far will you travel?

Changes to Travel Plans in Next Six Months

Gasoline prices continue to exert downward pressure on travel plans beyond the peak summer vacation season:

- Half expect to take fewer trips – nearly unchanged from the last wave
- The most likely response is to *take fewer trips* (50%), but many expect to *cut back on travel expenditures* (39%) such as dining, entertainment, and lodging or *reduce the number of miles driven* (26%). About one in five (18%) will take shorter trips (*reduce number of days*)
- Those with children are more likely to *stay closer to home* and generally *cut back on travel expenses*; those without children are less likely to make changes (more of them claim that gasoline prices will have *no impact*).

Changes to Travel Plans
Those Expecting to Travel 50+ Miles in Next Six Months (by February 2009)



August 2008: Please indicate what the cost of gasoline will cause you to do by taking this trip. You will . . . (Base: those planning to take a trip)

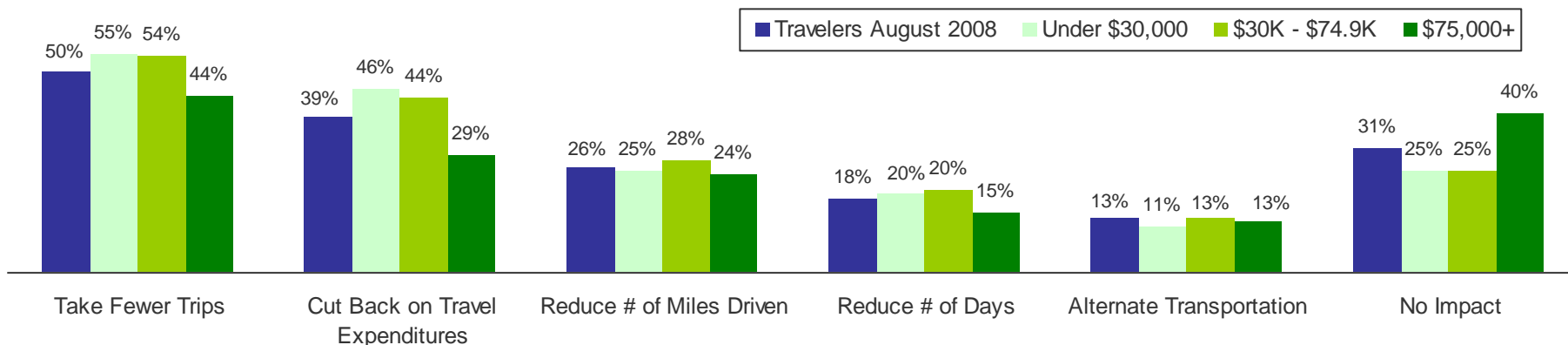
March and July 2008: Please indicate what the cost of gasoline will cause you to do (if traveling 50+ miles away from home by car) in the next six months for leisure purposes. (Based to total respondents, regardless of trip plans)

Changes to Travel Plans in Next Six Months

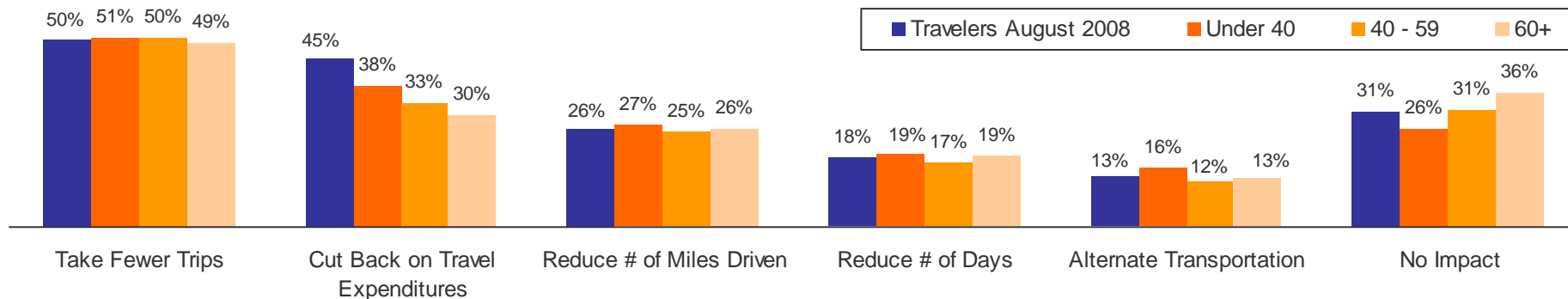
Reactions to gasoline prices differ by demographic segment:

- Less likely to *impact* affluent travelers (40% claim *no impact*) than others – and who are particularly less likely to *take fewer trips* (44%) or *cut back on travel expenditures* (29%)
- Younger travelers more often consider *cutting back on expenses* (38%) and choose *alternate transportation* (16%). Fewer older travelers change their plans because of gasoline prices (36% = *no impact*).

Changes to Travel Plans by Income



Changes to Travel Plans by Age



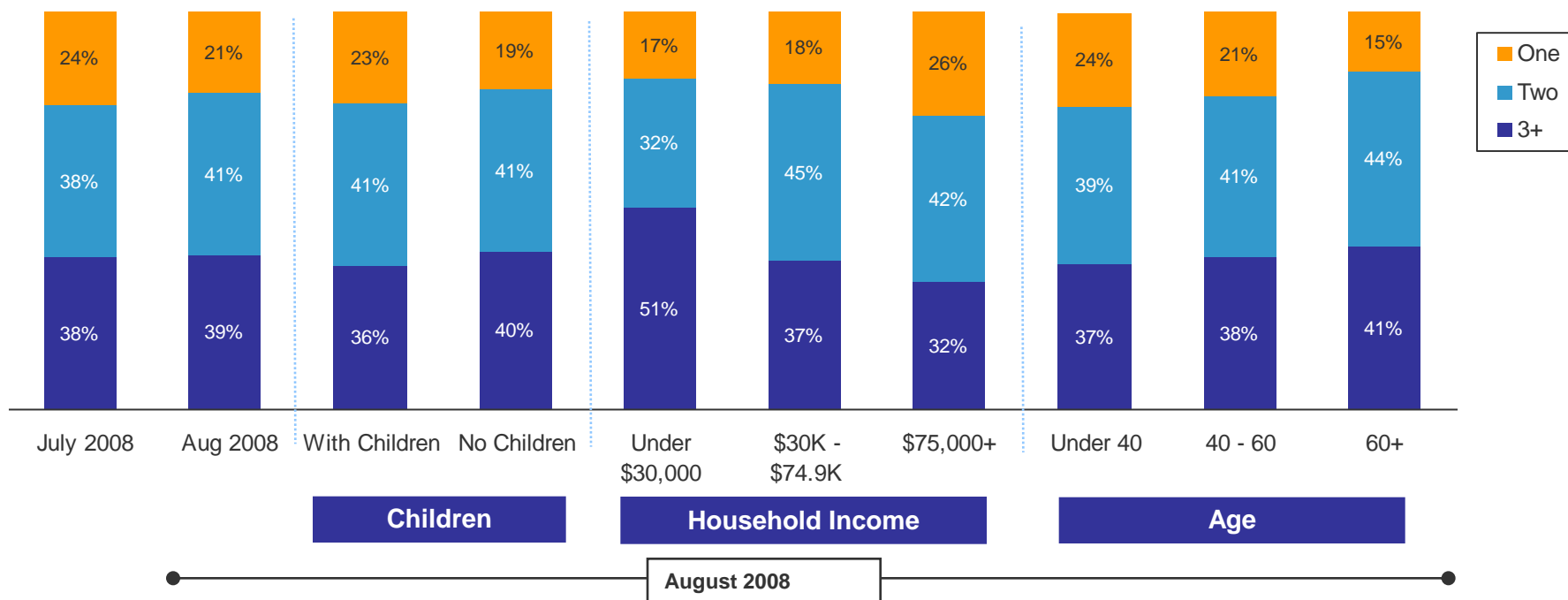
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How Many Fewer Trips?

Of the half (50%) who plan to take fewer trips:

- The impact is severe – four out of five (80%) claim that they will eliminate at least two trips – and almost half (39%) of those state “3 or more”
- Affluent and younger travelers are most likely to limit the reduction to just one trip, but three-quarters of even those segments (74% - 76%) expect to cut at least two trips.

How Many Fewer Trips Because of Gasoline Prices



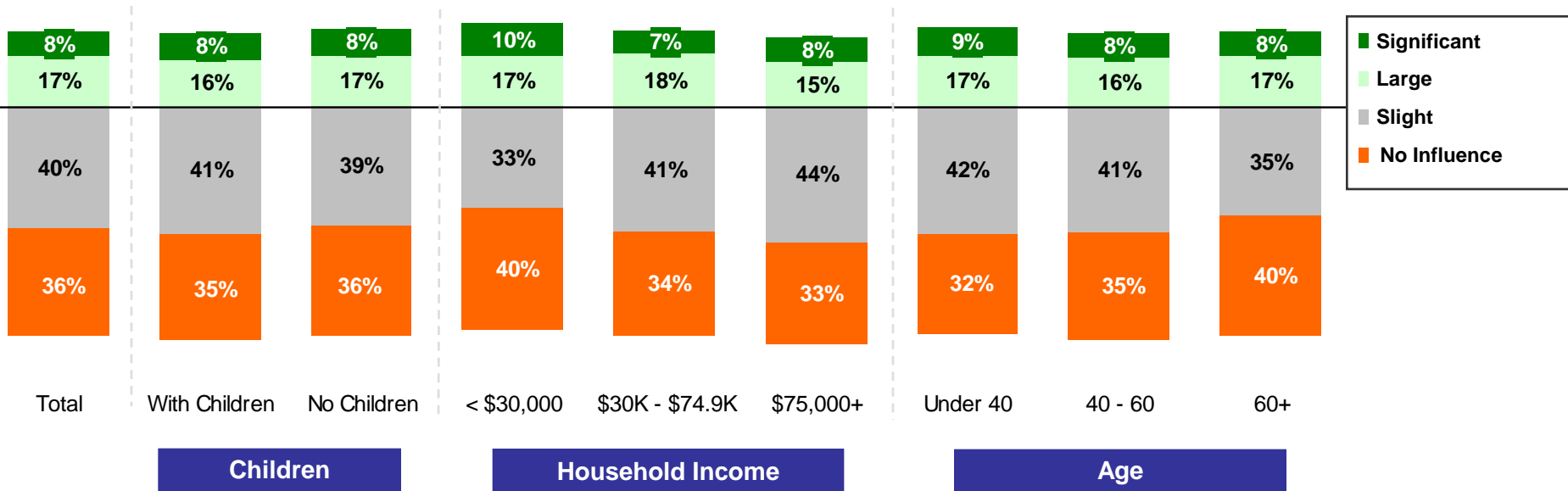
You mentioned that you will “take fewer trips.” How many fewer trips will you take?

How “Green” Are Travelers?

Most travelers remain relatively unconcerned about their travels’ potential impact on the environment:

- One in four (25%) claims that the environment exerts a *large/significant* influence on their travel decisions
- Little difference appears between segments
- However, those earning the least (under \$30,000) report somewhat bi-polar results. They are the most likely segment to cite a *large/significant* (27%) green influence, but are also the most likely (tying 60+) to indicate *no influence* (40%).

Influence of Potential Impact on Environment on Travel Purchases



How much influence does your potential impact on the environment have on your travel purchasing decisions?



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