

Destination Analysts'

The State of the American Traveler™

TECHNOLOGY EDITION

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Destination  Analysts

The Technology Edition

THIS SPRING EDITION of The State of the American Traveler™ focuses on technology and how travelers use it. Before diving into trends from VR to Google results, the report first takes look at the current leisure travel outlook. Fortunately, American's leisure travel optimism continues to be near record highs. This sustained, strongly positive sentiment is remarkable, and suggests the upcoming travel season may be quite a good one for the industry. The report then examines changes in our travel technology adoption spectrum,

and takes a deep dive into how different generations are adopting new technologies. A variety of newer technological solutions and how travelers use and feel about them are then explored. We hope this report illuminates many trends that help you be a better travel marketer. As always, if you have questions or ideas for future survey topics, we welcome you to message us: info@destinationanalysts.com or @DA_Research.

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







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Methodology

THE STATE OF THE AMERICAN TRAVELER SURVEY is conducted quarterly by Destination Analysts, Inc., a San Francisco-based tourism industry research company. The survey is conducted online amongst a nationally representative sample of adult Americans. From March 31st to the April 11th, 2017, surveys were collected from a group of respondents who were then screened by their leisure travel behavior. Only those respondents who had traveled at least once in the past 12 months for purely leisure or personal reasons were interviewed. This travel must have been of at least 50 miles one-way — the standard distance threshold used in the tourism industry to signify that a “trip” has been taken. In total, 2,020 leisure travelers completed the survey. With this sample size, the top line data presented here can be considered to have a reliability of +/- 2.3%. This information is provided “as is” and intended for informational purposes only. It should not be relied upon for operational, marketing, legal, technical, tax, financial or other advice. Destination Analysts is not responsible for your use of the information contained herein (including errors, omissions, inaccuracy or non-timeliness of any kind) or any assumptions or conclusions you might draw from its use.

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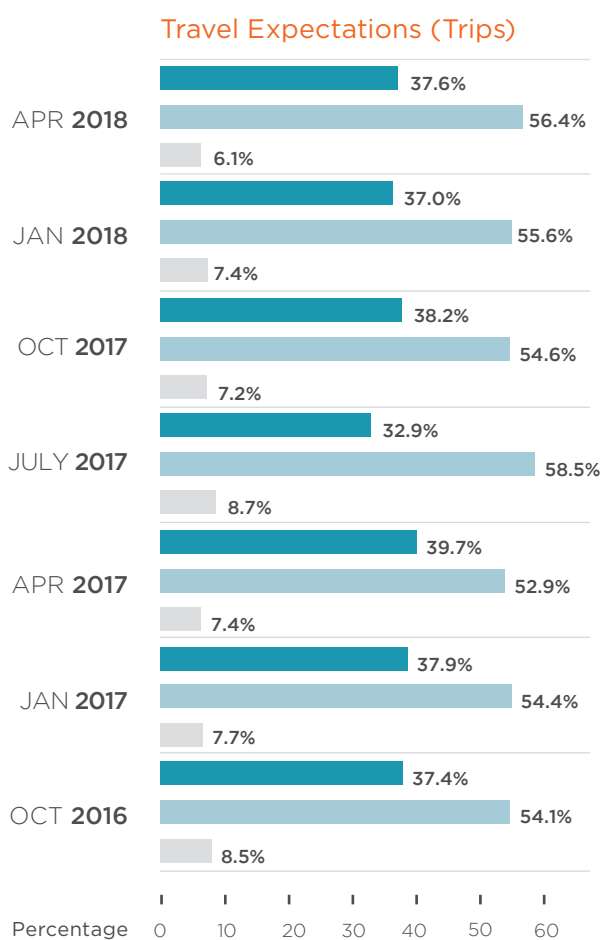
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1.0 Travel Expectations & Travel Spending Expectations

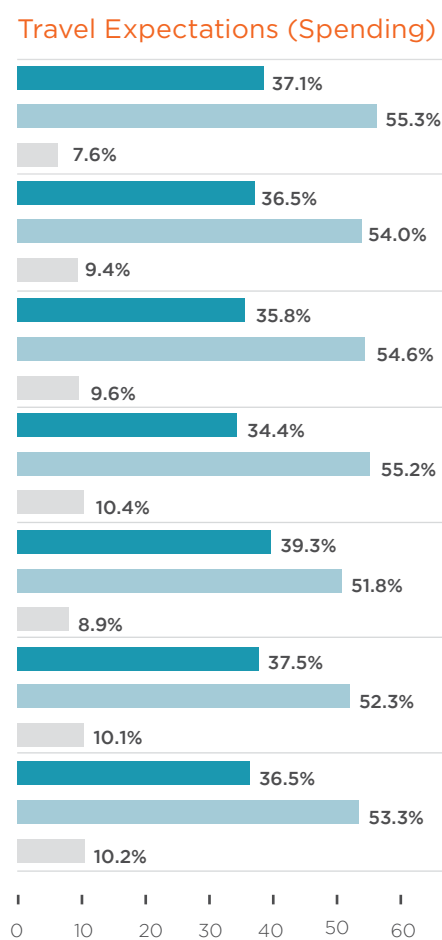
AMERICAN LEISURE TRAVEL EXPECTATIONS have weakened very slightly from last year. However, expectations still continue to be in strongly positive territory, with optimism for near-term future travel suggesting a good upcoming summer travel season.

In our recent April The State of the American Traveler™ tracking survey, leisure travel optimism is at a near record high. This enthusiastic outlook is illustrated by 37.6 percent of American travelers saying they expect to travel more for leisure in the next year, up from 37.0 percent in January 2018. This figure is slightly down from last year at this time, but still exceeding the tracking study's historical norms. Leisure travel spending expectations are also at a high, with 37.1 percent of American travelers expecting to increase their leisure travel spending in 2018.

THE KEY: ■ expect more ■ expect the same ■ expect less



Q: In the next 12 months, do you expect to travel more or less for leisure than you did in the most recent 12 month period?



Q: In the next 12 months, do you expect to spend more or less for leisure travel than you did in the most recent 12 month period?

2.0

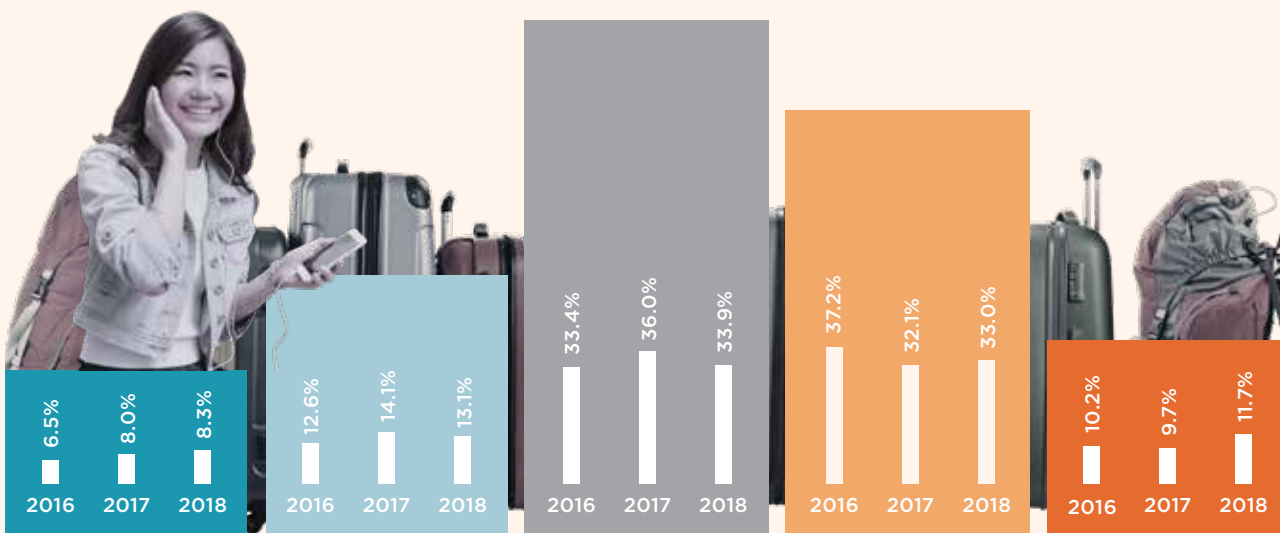
Travel Technology Adoption

In this edition we present the third year of our proprietary Technology Adoption Spectrum for Travel. This spectrum distributes travelers into one of five segments, depending on the speed in which they adopt new technologies into their travel planning. The spectrum was developed using a detailed set of survey questions, and the results are revealing. The graphic below shows these traveler segments and their changes over the last three years. About one in five travelers

fit into the early adopter and innovator segments. These people are quick to adopt and use new travel technologies. On the other end of the spectrum are laggards and late adopters, those who resist such change and stick to their tried and true planning techniques. After three years of studying this data, it appears that the shape of this bell curve is relatively stable. The story becomes very interesting, however, when we look at differences in travel behaviors between segments. See the next page.

AN EVOLVING LANDSCAPE

Five Segments of Travel Technology Adopters, % of all leisure travelers



INNOVATORS

The first to adopt new travel technologies, Innovators are mostly Millennials and Gen-Xers. They travel the most and have the largest annual travel budgets.

EARLY ADOPTERS

A close cousin to the Innovator, Early Adopters enjoy exploring new technologies.

EARLY MAJORITY

Interest in advanced technologies drops off sharply with this group, as does the degree of control they personally have in travel planning decisions.

LATE ADOPTERS

These travelers approach new technology with skepticism, and show a large gap in metrics tracked compared to the Early Majority.

LAGGARDS

The last to adopt a technical innovation, most are Baby Boomers. They are predominantly male, and travel less than the norm.

2.1 6 Reasons to Target Early Adopters & Innovators

If you're afraid to invest in marketing with new technologies thinking that you'll leave many potential visitors behind, you may want to rethink.

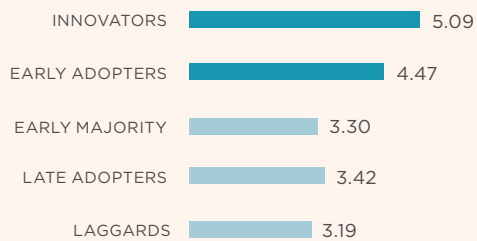
An examination of the technology adoption spectrum segments shows striking differences between the

groups, with Innovators and Early Adopters appearing to be highly desirable segments to target. Here are six reasons to be confident that adopting newer technologies in your marketing mix might be effective in getting your message in front of the right audience.

NO. 1

THEY TAKE MORE TRIPS

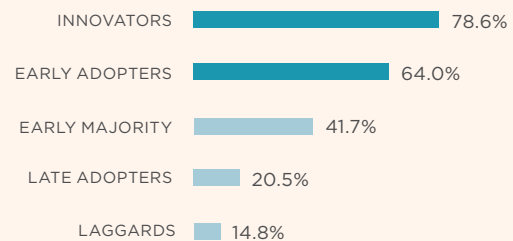
Number of leisure trips taken in past 12 months



NO. 2

THEY WANT TO TRAVEL MORE

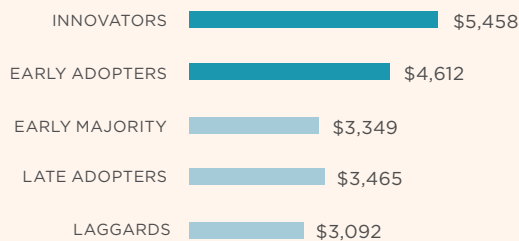
Expect to travel more in the next 12 months



NO. 3

THEY ARE BIG SPENDERS

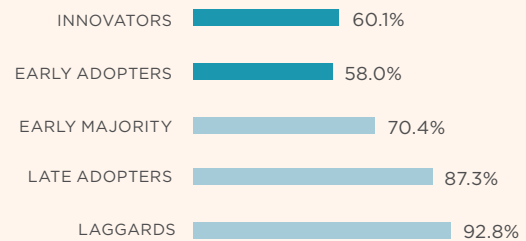
Average travel budget for the next 12 months



NO. 4

THEY'RE MARKED BY THEIR DIVERSITY

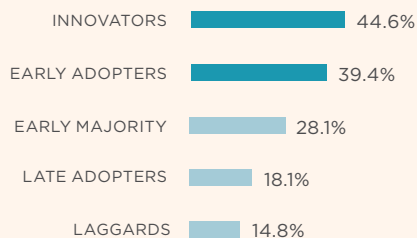
Percent Caucasian



NO. 5

THEY LIVE IN URBAN CENTERS

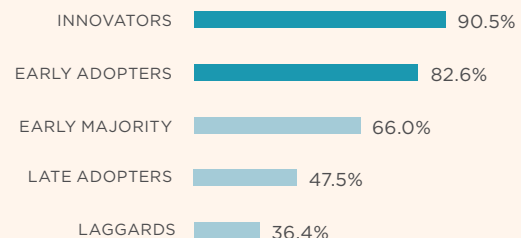
Percent living in an urban area, not the suburbs



NO. 6

THEY'RE CONNECTED WITH OTHER TRAVELERS

Percent selecting a destination this year based on word-of-mouth



BEST OF ALL, THEY'RE HAPPIER PEOPLE.

78.6%

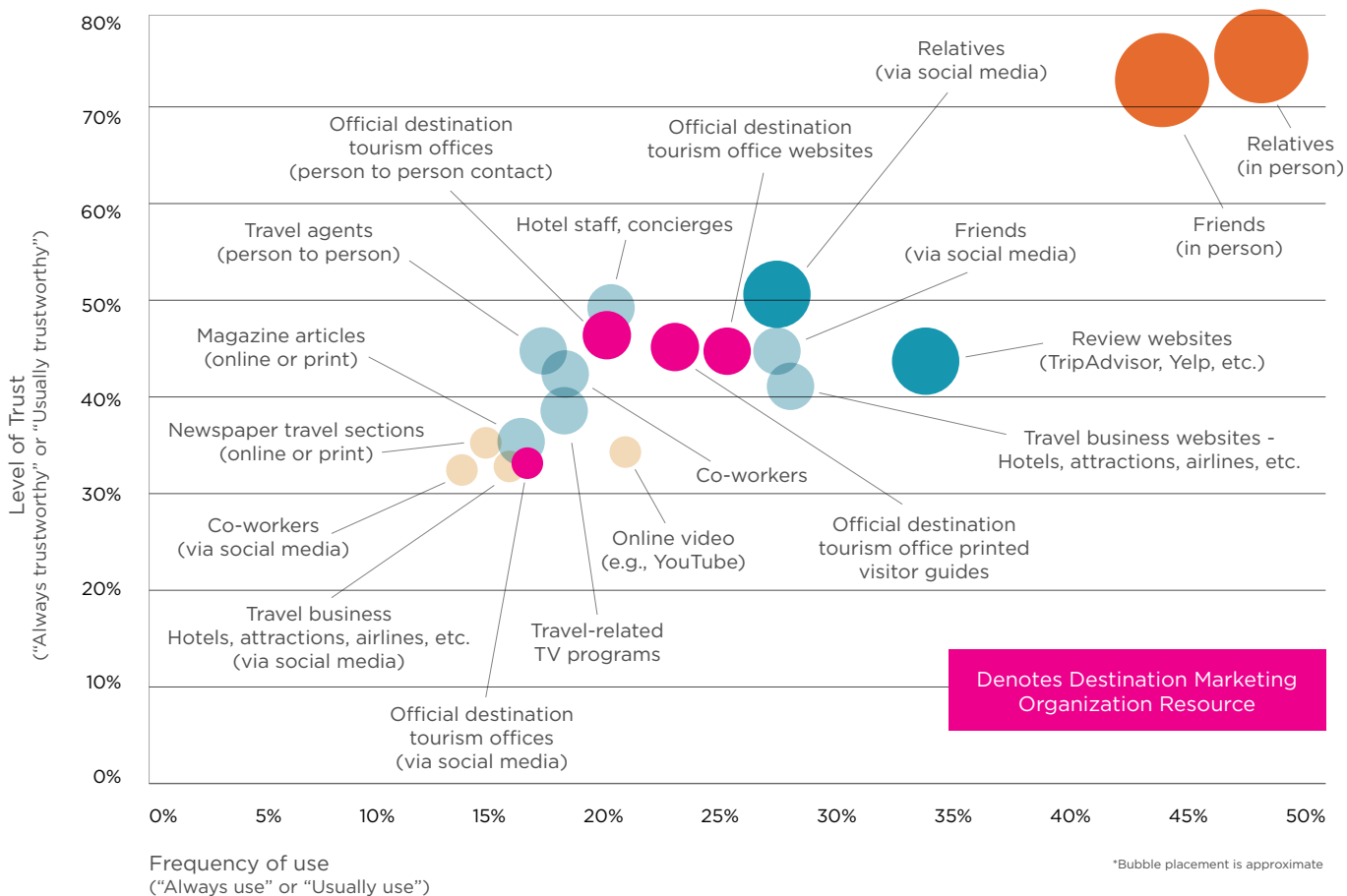
of Innovators say they're generally "very happy" with their lives, compared to only about 30% of Laggards, Late Adopters and the Early Majority.

Who doesn't want a destination full of happy people?

3.0 Planning Resources

Trust, Use and Importance in Destination Selection

The bubble chart below looks at a variety of resources used by travelers and compares how trusted they are, how frequently they are used and how important they generally are to destination selection. Word-of-mouth is – both in person and via social media – by far the most influential resource.



Destination Marketing Organization resources continue to be heavily used and trusted.

3.1 Social & User Generated Content Resources

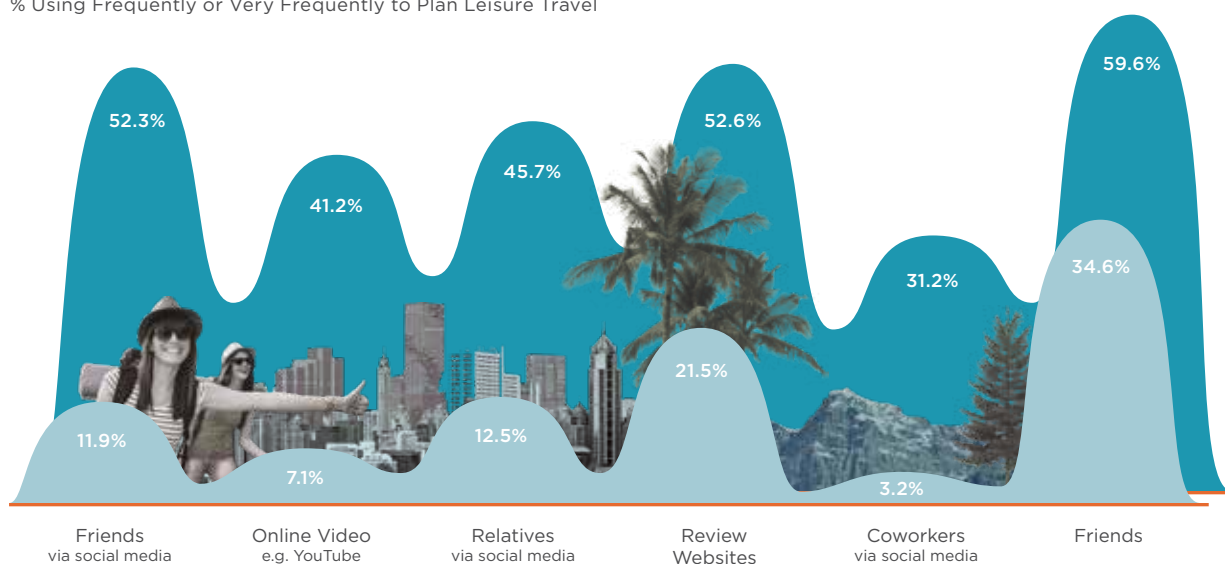
A Deeper Look at Huge Generational Differences

Social and User Generated Content channels in travel planning are dominated by youth. Not only are Millennials more likely than Baby Boomers to use the resources shown below, they are far more likely to say they're important to how they select the places they visit.

THE KEY: ■ Millennials ■ Baby Boomers

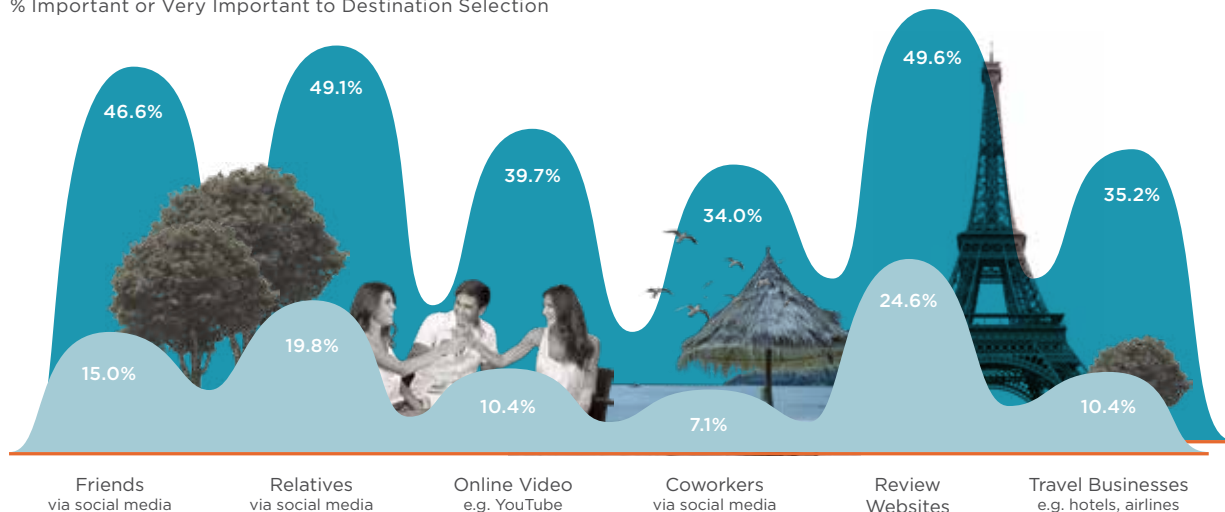
Millennials use social resources drastically more than Boomers.

% Using Frequently or Very Frequently to Plan Leisure Travel



Plus, it's more important to Millennials' destination selection.

% Important or Very Important to Destination Selection



Top Tech

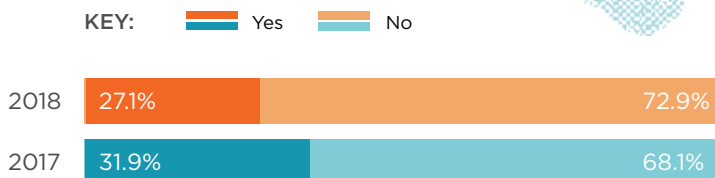
INTEREST & USAGE



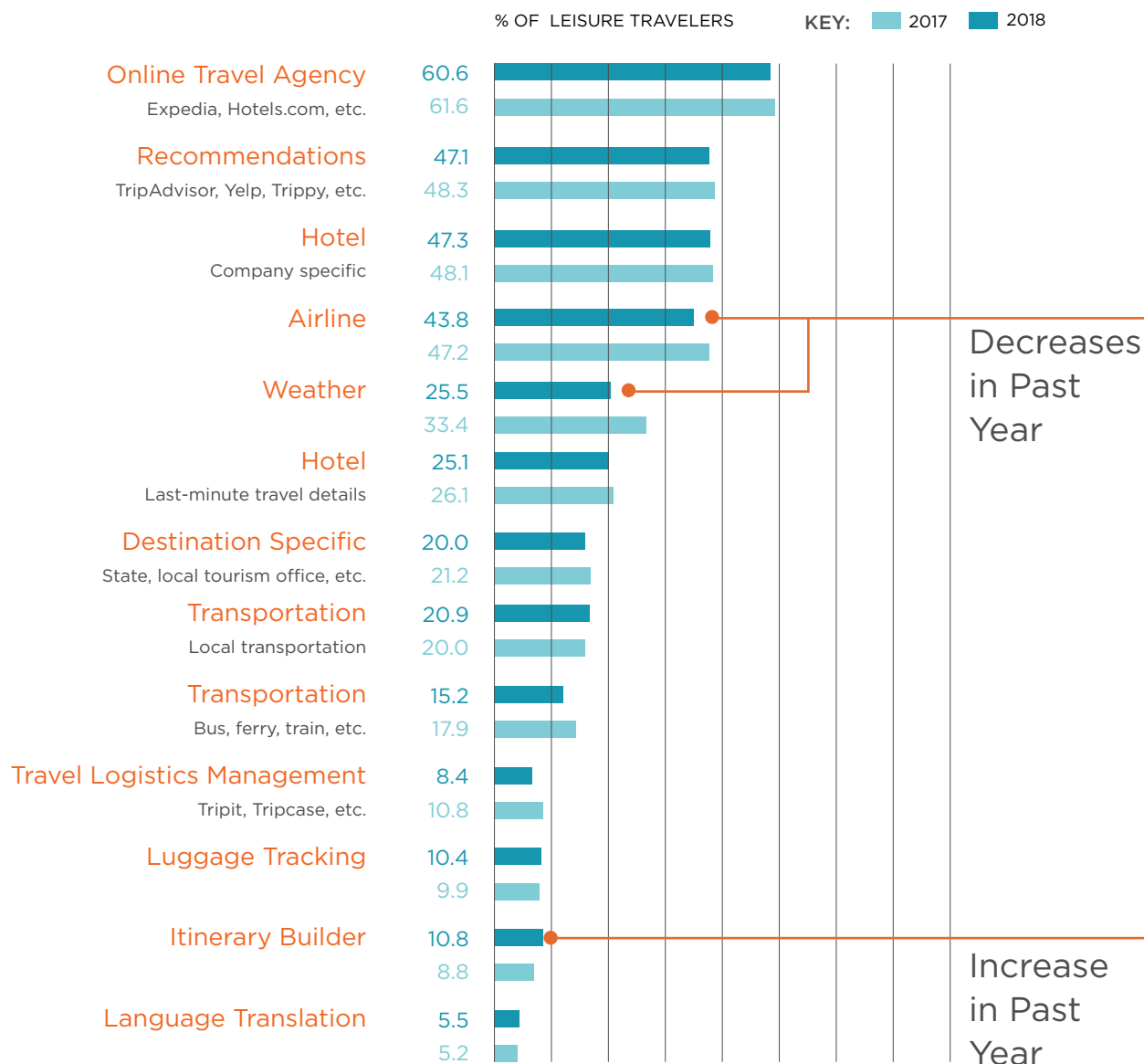
4.1 TOP TECH USAGE

Apps

Q: In the past 12 months, have you used any travel-related apps to help you in travel planning? Select all that you've used.



Q: In the past 12 months, which of these types of apps have you used for travel planning? (Select all that you've used)

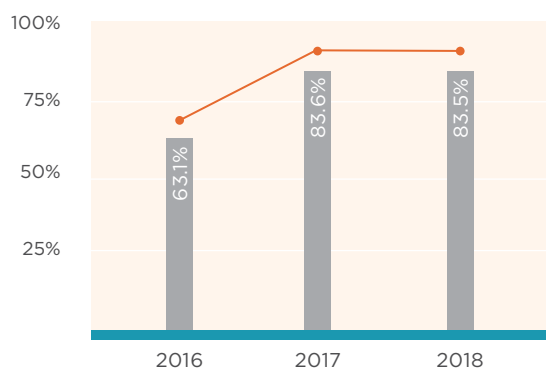


4.2 TOP TECH USAGE

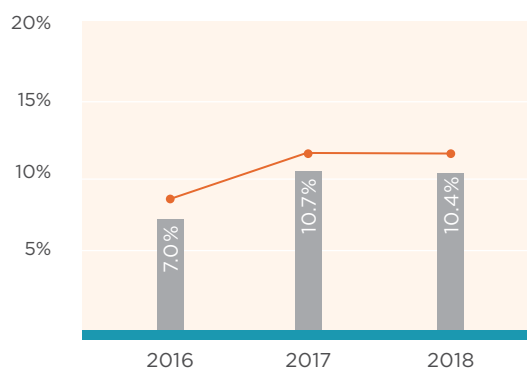
Virtual Reality Headsets

It was said that 2017 was The Year of Virtual Reality, and in fact traveler awareness of (and interest in using) these devices grew strongly that year, but has stabilized in 2018.

Q: Have you heard of Virtual Reality Headsets before taking this survey?

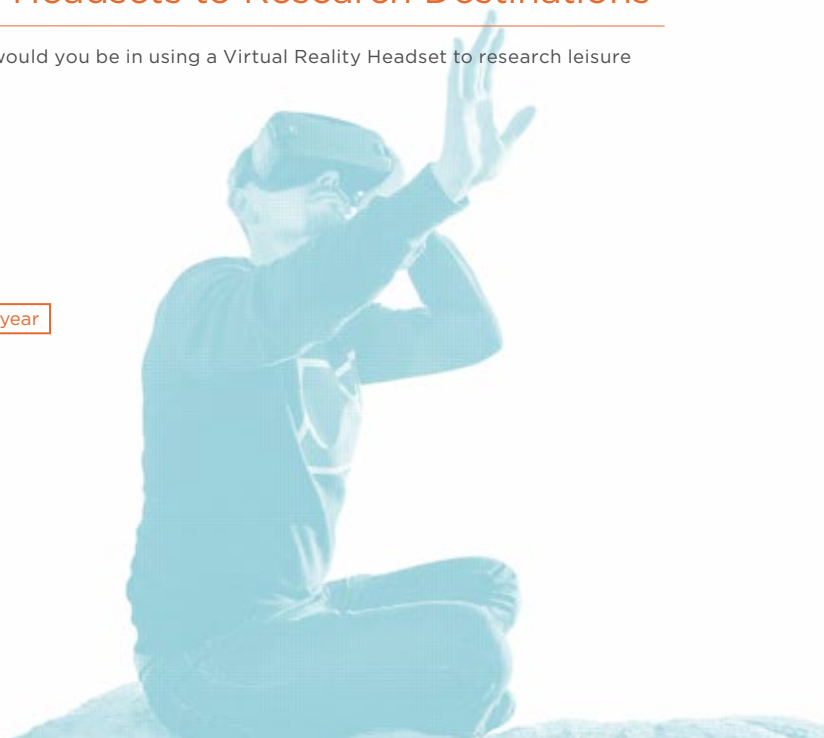
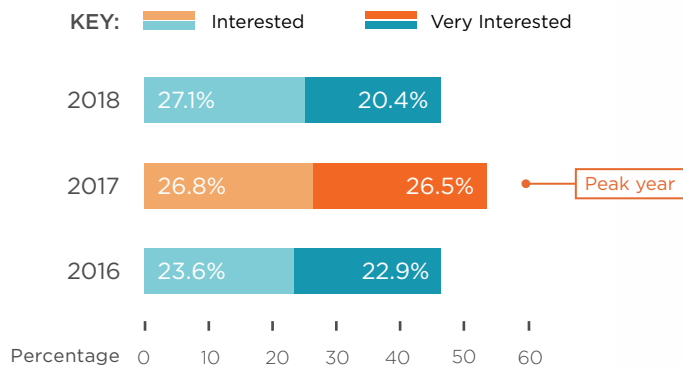


Q: Have you used a Virtual Reality Headset to help plan any leisure travel?



Interest in Using Virtual Reality Headsets to Research Destinations

Q: If good content were available to you, how interested would you be in using a Virtual Reality Headset to research leisure destinations you are considering visiting?

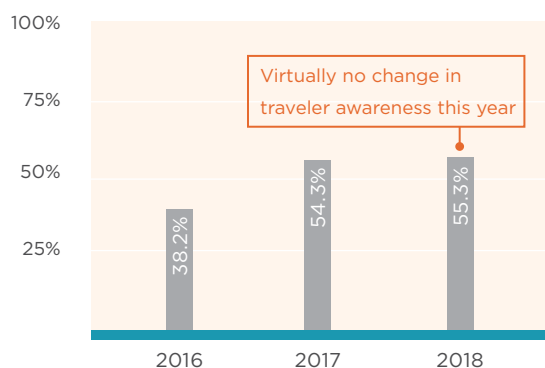


4.3 TOP TECH

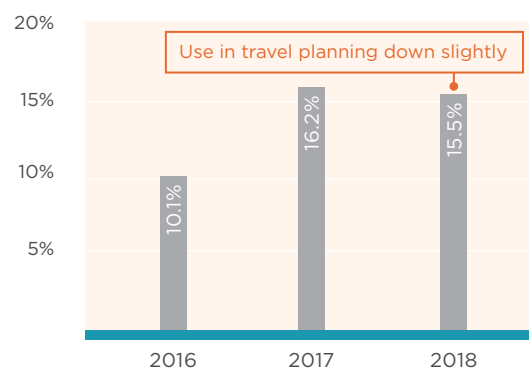
Real Time Video

Real time video feeds were boosted significantly last year with the emergence of Facebook Live, but appear to have gained little traction this year. Awareness, usage and interest in use have changed very little.

Q: Have you heard of Real-time Video before taking this survey?



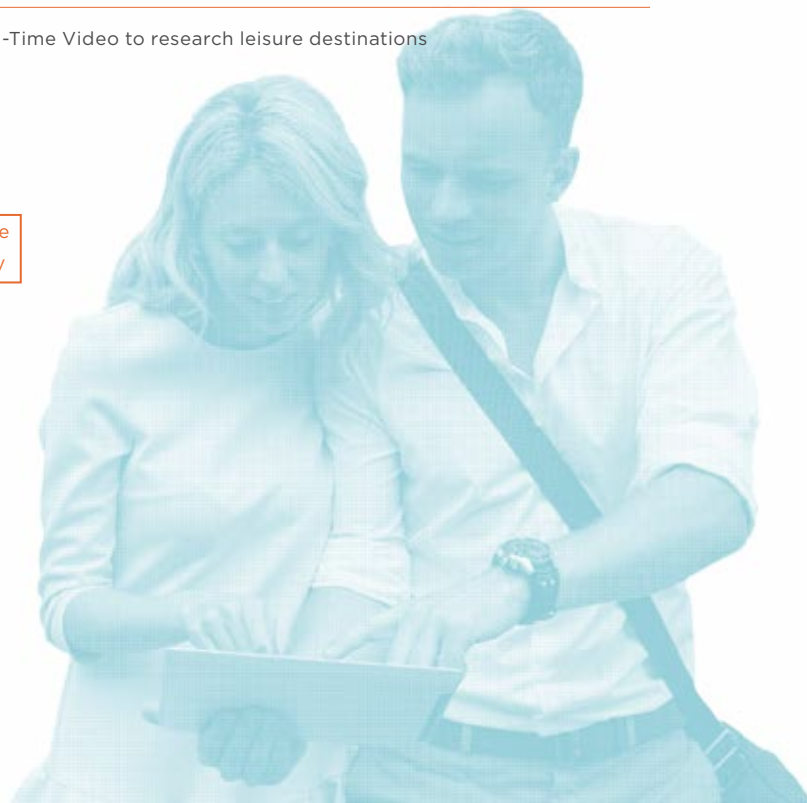
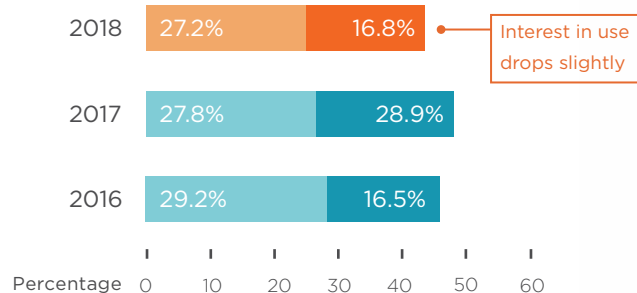
Q: Have you used Real-time Video to help plan any leisure travel?



Interest in Using Real-Time Video for Research

Q: In general, how interested would you be in using Real-Time Video to research leisure destinations you are considering visiting?

KEY: Interested (light blue) Very Interested (dark blue)



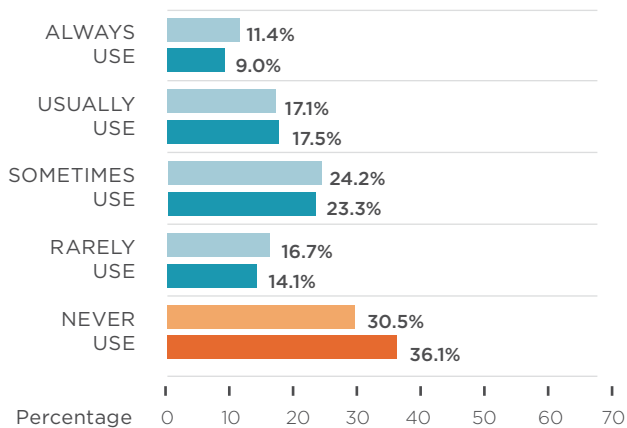
4.3 TOP TECH

Google-Curated Content

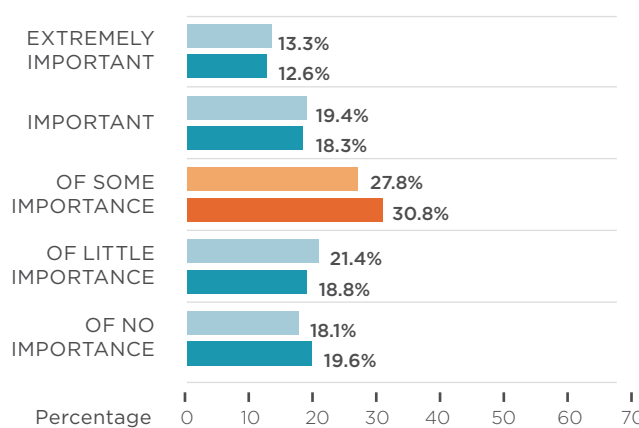
In recent years, Google has been expanding its role in curating and displaying search result content on travel destinations. The use of Google-curated content as reported by travelers continues to be little changed. Yet, as we pointed out last year, with travelers having somewhat higher trust in DMO content than Google-curated, the potential for synergy between the two is obvious.

Google-Curated Content vs. DMO Content

Q: How frequently do you use Google-curated destination content to plan your leisure trips?

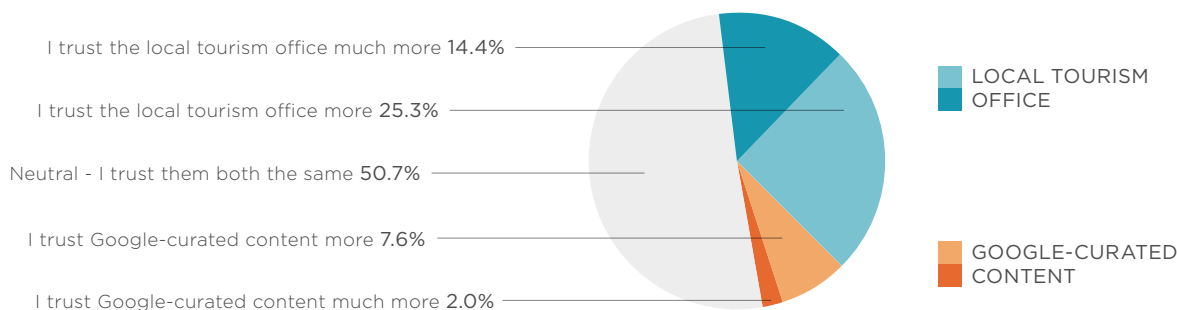


Q: In general, how important is Google-curated destination content in how you pick the leisure destinations you visit?



KEY: 2018 (light blue), 2017 (dark blue), Largest Category (orange)

Q: Which content, opinions and advice would you generally trust more? A local visitor bureau/tourism office or Google-curated content?

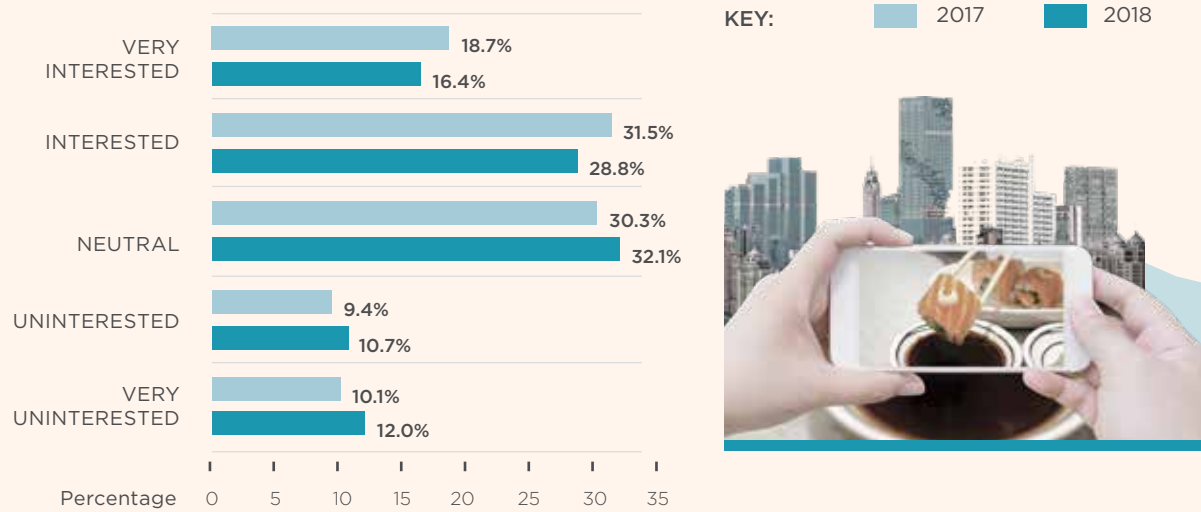


4.3

GOOGLE TRIPS APP

Interest in using the Google Trips APP is high, and grew slightly this year. Most travelers consider the content provided through this APP to be at least somewhat trustworthy.

Interest in using Google Trips APP when traveling



Trust in the content, opinions and advice from Google Trips APP

