Top Ten Travel and Tourism Trends for 2007-2008

July 2007: 2007/08 data is emerging daily and this Trend forecast will be revised.

"It is not the strongest of the species that survives, nor the most intelligent, but the one that is most responsive to change." - - Charles Darwin

Summary:

The US travel industry is reporting excellent news for 2006 after accomplishing a complete recovery from the downturn in travel since 2000. Demand was up and US travel expenditures rose 7.7% in 2005 according to TIA. TIA has predicted a slowing of the U.S. growth trend in 2007 based on outside forces (natural disasters, health scares, world hostilities, etc.) and the nation's overall economy. RTM is optimistic in predicting growth at or above the 2006 pace based on pent up demand for travel, increased Baby-Boomer travel and increased in-bound foreign travel due to the devaluation of the American dollar. Rising travel demand in 2006 (as well as increased fuel costs) pushed travel prices up and the consumers kept going. Lodging is up, car rentals are up, air travel is up (volume), gaming keeps growing, cruises continue on pace and the results are split for attractions.

Economic indicators are mixed giving many reasons for cautious optimism. The June 2007 Consumer Confidence Index stands at 103.9 (1985=100), down from 108.5 in May. Lynn Franco, Director of The Conference Board Consumer Research Center said, "Looking ahead, consumers remain rather subdued about short-term economic prospects. All in all, the glass remains half empty and half full." The stock markets hit all time highs in July; fuel prices remain at record highs, unemployment at record lows and the nation remains frustrated over the war in Iraq.

At the core of traveler behavior is time poverty with inability to get away from work the number one reason for not traveling. The American traveler is working harder than ever and in need of respite.

What's ahead for 2007 and 2008? The outlook for most segments of the travel industry is positive:

Leisure: Growth is forecast for 2007 and 2008. Growth in domestic leisure travel will increase slightly as will international travel to the US.

Business: Growth is expected in 2007 and 2008 as companies balance increased travel expense with cost controls. Business travel will increase 2% in 2007. Business travelers are increasingly younger with more females traveling than ever before.

Meetings: Corporate planners, third party planners and suppliers all forecast steady growth in both the number of meetings and average spending for meetings. Convenience and destination appeal are critical factors.

Group Tour: Will grow as long as operators can customize tours for individual groups. This industry is reinventing itself to meet changing traveler expectations.

The increased travel demand in 2006 enabled travel suppliers to raise prices. Higher prices are also forecast for 2007 and 2008. Travel suppliers are turning in improved balance sheets, but consumers may find it harder to find travel bargains. Despite higher prices, and the fact that many consumers find it difficult to get away from work, statistics show that Americans are still traveling.

A brief look at past performance and future expectations of the largest travel industry sectors reveal the following:

Randall Travel Marketing, Inc.
116 Malibu Road • Mooresville, North Carolina 28117
Phone 704-799-6512 • Fax 704-799-6514 • Email info@rtmnet.com • www.rtmnet.com

Lodging: Another record breaking year

- In 2006 the U.S. hotel industry generated $133.4 billion in total revenues and $26.6 billion in profits according to Smith Travel Research (STR). Both numbers are industry records. Mark Lomanno, president of STR, commented: "Strong Average Daily Rate (ADR) growth of 7.2% fueled increased industry profitability. Relatively modest demand growth of 0.7% helped bolster operators' pricing power as occupancy levels exceeded 63%. While such strong rate growth is not sustainable, the expected rate growth for the coming years is still well above the rate of inflation."

  For the year 2006 the lodging industry recorded the following results:

Benchmark	Value Percent	Change from 2005
Supply	1.6 billion room nights	+ 0.3%
Demand	1.0 billion room nights	+ 0.7%
Occupancy	63.4%	+ 0.4%
ADR	$97.61	+ 7.2%
RevPAR	$61.88	+ 7.7%
Total Industry Revenues	$133.4 billion	+ 8.7%
Total Industry Profits	$26.6 billion	+17.9%

  Randy Smith, owner and founder of STR, added: "Profit margins increased to almost 20%, up from 18.4% last year. It is also worth mentioning that of the $10.7 billion in additional revenues the industry generated, over $4 billion flowed through to the bottom line. We estimate new supply increases will have a slightly negative effect of -0.7% on occupancy in 2007. But ADR growth, while slowing, is projected to still be strong at around 6.0%. Fueled by this increase, 2007 will mark the first year that industry ADR breaks $100, another milestone in the industry's history. We see no reason why the U.S. hotel industry should not be 'Fine through '09'. "
- According to a survey by PricewaterhouseCoopers, which was supplemented by Torto Wheaton Research data, approximately 136,500 hotel rooms were under construction in 2006, a year-over-year increase of 64.2%, making the 2006 room starts increase the highest since 1994, when new hotel construction increased by 67.2%. The room starts increase of 2006 reflects positive industry fundamentals including the largest revenue-per-available-room growth since 1981 of 8.5% in 2005 and a robust 7.7% in 2006. PwC forecasts a 5.6% RevPAR growth in 2007 as supply growth slightly exceeds demand growth and average daily rate growth slows. As a result, PwC forecasts supply growth of 1.6% in 2007 and 2.3% in 2008, the highest two-year levels since 2001. (*Source: ModernAgent.com)*

Airlines – turning losses into profits in 2007

- 2006 marked the sixth year in a row of losses for airline carriers. According to the International Air Transport Association (IATA) loses globally were reported at $0.5 billion in 2006 which is substantially better than the $4.1 billion industry wide loss in 2005. Airlines are projected to post profits of US$5.1 billion in 2007, ending a six year decline. *(Source: IATA)*
- 2007 could be the year the airline industry turns the corner and becomes profitable again:
  - Passenger revenue has grown annually from $249 billion in 2003 to $380 billion in 2006
  - Cargo revenue has also grown from $40 billion in 2003 to $54 billion in 2006
  - Fuel costs have skyrocketed from 14% of operating expenses in 2003 to 26% in 2006
  - Non fuel costs have been controlled as a percentage of operating expenses
  - American and Delta are joining Southwest in the elite group of profitable airlines
- The cheapest domestic fares for summer travel are down 8% to 15% versus last year, according to FareCompare.com, a fare-tracking website. Also, demand among some routes, such as those to Florida and the Midwest, has dipped a bit. "The airlines sense some softness in purchasing," said Rick Seaney, CEO of FareCompare.

- Worldwide, low-cost airlines showed a 27% increase in the number of seats available. The low-cost sector for June 2007 accounted for 16% of all flights, up from 11% a year ago, and 20% of all seats, up from 16%.
- Less flying may mean more profit for the biggest U.S. airlines. Major carriers are cutting domestic capacity even as travel demand is rising, helping them fill more seats with passengers. The Bloomberg U.S. Airlines Index has declined 20% since January 16 as the price of jet fuel has climbed and average domestic airfares have dropped. But analysts have said some airline shares may double in price within a year because more demand and less supply would allow carriers to charge more for tickets. "A small change in ticket prices or load factors will have a huge impact on the bottom line," said analyst Andrew Meister at Thrivent Financial for Lutherans in Appleton, Wisconsin (*Source: Philadelphia Inquirer.com/Business; Bloomberg News Friday, July 06, 2007).*

Cruises: Continued strong demand - - Consumers love the easy trip planning

- Cruises are huge competition for traditional land-based destination marketers simply because the cruise industry makes it *easy* to take a cruise, whereas the time required to investigate and plan a trip to a traditional destination takes too much time in a “time poverty” world.
- CLIA, the Cruise Lines International Association is forecasting a year of formidable growth for 2007, with 12.62 million cruise passengers predicted. This is an increase of approximately 500,000 passengers over 2006. *(Source: CLIA)*
- Of the 12.62 million passengers projected to cruise in 2007, more than 10.6 million are expected to originate from North America. *(Source: CLIA)*
- 46% of active leisure travelers are interested in taking a cruise *(Source: Yesawich, Pepperdine, Brown & Russell/Yankelovich Partners National Travel Monitor)*
- Cruises are increasingly catering to families that travel. More than 1 million children under the age of 18 took cruises with their families in 2004. Carnival alone hosted 500,000 kids in 2005, a 300% increase over the past eight years. *(Source: Travel Trade)*

Attractions: Thriving on change or languishing in the status quo

- Nationwide attendance at the 20 largest theme parks increased 1.5% to 120 million in 2006. This marked a third straight year of attendance increases. Worldwide, amusement park attendance was also up in 2.2% in 2006. *(Source: Amusement Business, Economics Research Associates Theme Park Insider)*
- North Carolina’s Biltmore Estate recorded one of its best years for attendance and revenues in 2006 while *USA Today* reported that Hearst Castle in California reported its worst year for attendance in twenty years.
- According to the American Association of Museums (AAM) there are approximately 17,500 museums in the United States. AAM’s *2006 Museum Financial Information* survey found that the median annual attendance for different types of museums is as follows:

Zoo	440,502
Science/Technology Museum	244,589
Arboretum/Botanic Garden	106,235
Children’s/Youth Museum	78,500
Natural History/Anthropology	62,803
Art Museum	59,822
Nature Center	52,850
General Museum	43,500
Specialized Museum	20,000
Historic House/Site	16,000
History Museum	10,750

- There are 216 zoos and aquariums accredited by the Association of Zoos and Aquariums. The 2005 total attendance at these 216 accredited facilities was 143 million averaging 662,037 per member facility. 46 states have at least one accredited zoo or aquarium.

The 2007-2008 Top Travel & Tourism Trends:

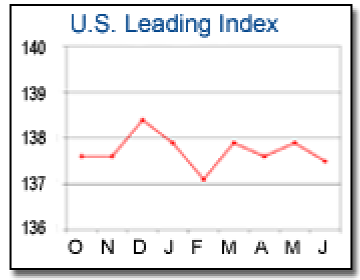
1. Continued Growth in 2007

- Tourism is big business. In 2005, travel and tourism contributed $650 billion to the U.S. economy. Travel and tourism is the third largest retail industry in the U.S. behind automotive dealers and food stores. Travel and tourism directly employs more than 8 million people and creates a payroll income of $171.4 billion and tax revenues of $104.9 billion for federal, state and local governments. (Source: *Travel and Tourism Works for America*, September 2006; Travel Industry Association).
- According to TIA, 2005 leisure travel was up 4%, international travel to the US jumped 7% and business travel increased 1%. Approximately 124 million Americans took a vacation in 2005, amounting to 55% of the adult population, with the typical traveler taking 3 trips per year. On average, the typical household spent $1,500 on a vacation trip and travels 1,200 miles from home.
- Americans are expected to take 1,254.6 million domestic person-trips in 2007, a 2.3% increase over the previous year, according to a report on U.S. tourism released by IbisWorld.
- YPB&R/Y Inc. 2007 National Leisure Travel Monitor™ reports 95% of all active travelers in America took at least one vacation during the previous 12 months (on average, they took four), and fully 33% are planning to take more vacations in 2007 than in 2006 (26% are planning to take fewer). The data reveals that Americans view vacations as an essential part of contemporary life with leisure travelers now filling more hotel rooms and airline seats on an annual basis than business travelers.

2. Time Poverty = more to do + less time to do it - - Number one trend driver - - Affects every travel segment

- Expedia research shows that Americans, with an average 12 vacation days per year, leave a total of 421 million vacation days unused. Nearly 1/3 of respondents to Expedia's 2005 survey reported that they did not take all their vacation days.
- Only 14% of Americans plan to take a two-week vacation in 2007, down from 16% in 2006, according to a new study by Harris Interactive for Expedia. One-third of workers do not always use all their vacation days. *(Source: Harris Interactive online survey of 12,494 employees 16 and older).*
- YPB&R/Y reported that in 2005, nearly half of Americans suffer from "time poverty" – the generalized sense that people do not have enough time to do what they want. In travel, they report the desire to simplify their lives by buying all-inclusive events.
- A recent study by Orbitz found a drop in the number of people taking three week or two week vacations and an increase in those taking a week or less. One-third of respondents said they took five or fewer days of vacation in the past year. Many Americans now seem to be foregoing their annual vacations--a trend that has some experts worried that workers are not getting away from their jobs to relax and recharge, both physically and mentally. The reasons vary, from having too few vacation days available to lacking money for travel. But in some cases, it seems, many people just aren't into the habit of getting away.
- While people have less free time, there is greater competition for those rare leisure hours. For instance, museums and attractions continue to expand and multiply while attendance is shrinking. Additionally, the last decade has seen a major proliferation of new professional sports teams in first, second and third tier cities including a Stanley Cup winning team in the south! Cruise lines continue expanding with new and larger ships with new cruises to far reaching exotic ports announced steadily. All this results in "more to do and less time in which to do it." RTM sees this as one of the top trends underpinning the entire travel industry

3. Fragile consumer confidence will affect travel decisions



- In June 2007 the Consumer Confidence Index was posted at 103.9, down from 108.5 in May 2007. Lynn Franco, Director of The Conference Board Consumer Research Center addressed the June report statistics saying, "A perceived softening in present-day business and employment conditions are the major reasons behind this month's pull-back in confidence. In fact, the Present Situation Index now stands at levels not seen since the final quarter of last year. Looking ahead, consumers remain rather subdued about short-term economic prospects. All in all, the glass remains half empty and half full."
- Roger Dow, President/CEO of TIA stated, "Based on our surveys, renewed enthusiasm for summer travel is going to trump high gas prices, travelers are going to keep an eye on gas prices, but there's nothing to indicate that prices will significantly alter their plans," he said. Leisure travelers are planning to take slightly more trips this summer than last, according to a recent TIA survey.
- "When people see higher prices, they simply adjust how they travel," says Cathy Keefe, spokeswoman for the Travel Industry Association. Despite increasing costs, seven in 10 U.S. adults plan to take a summer vacation this year, according to a survey released May 16, 2007 by Expedia.com. Even though airline tickets prices are increasing, 60% of respondents say they'll fly as much as they did last summer, and 9% plan to fly even more.

4. Traveler frustration with hassles, inconvenience and poor service

- The April 2007 Department of Transportation complaint rate for US Airways, still grappling with its 2005 merger with America West Airlines, tripled year-over-year. The rate for Delta Air Lines, which just emerged from Chapter 11 reorganization, doubled. But United arguably has fallen furthest and fastest among the big U.S. airlines in its ability to keep customers satisfied. Company officials acknowledge service problems and say efforts are underway to fix them. *(Source: Page 1B, USA Today).*
- U.S. airports have become so crowded they are now "at a tipping point" that soon may tilt toward breakdown, Delta Air Lines' chief operating officer, James Whitehurst, warned Congress in testimony delivered in July 2007.
- Passengers generally comport themselves remarkably well on stranded planes, even amid appalling conditions like backed-up toilets and a lack of food, says New York Times business travel columnist Joe Sharkey. Passengers on stranded planes often look out for one another, especially for those traveling with children.
- With U.S. hotels spending a record $5.5 billion on renovations this year, more travelers than ever are living amid construction zones. Among their inconveniences: gutted lobbies, awful smells, dust, closed restaurants, closed pools, sounds of jackhammering at unfortunate times and constricted room choices. Hotels across the price spectrum are going through renovations--usually while continuing to operate--to appeal to younger travelers who prefer sleek design and airy public spaces. But the makeovers can be painful for guests and hoteliers alike. *(Source: Page 5B, USA Today, May 29, 2007).*
- The American Customer Satisfaction Index shows the hotel business at its lowest industry wide rating since 2002 *(Source: University of Michigan).*

5. Internet: #1 Source of travel planning and purchasing

- Consumers are using the Internet in record numbers for travel planning but that doesn't mean they like the process…streamlining of the planning process is critical to long term growth.
- The Internet still beats other vacation planning tools. A third of US Internet users now research and book travel online, according to the Conference Board and a recent TNS "Consumer Internet Barometer" study. The report covered US households and was conducted in the second quarter of 2007.
- Forrester Research predicts that travel will remain the number one online retail category and grow to $119 billion by 2010. *(Source: Hotelmarketing.com).*
- The majority (66%) of leisure travelers who are airline and hotel users now go exclusively to the Internet when planning a vacation, while 57% report making reservations online. These numbers underscore the remarkable way in which consumers have embraced this medium since 2000, at which time only 35% of leisure travelers used the Internet to plan travel and just 19% actually made a reservation online. *(Source: YPB&R/Y 2007 National Leisure Travel Monitor™).*
- An April 2007 survey conducted for Expedia by Harris Interactive asked travelers where they would turn for accurate information for summer travel planning. Online travel agency was the top response (52%) followed by family or friend recommendation (45%). Rounding out the responses were travel guide books (25%), travel community sites (19%), magazines and newspapers (19%), traditional travel agents (17%) and convention and visitor bureaus (16%).

6. Geotourism - - increased traveler demand for destinations that protect the authenticity and geographic character of place

According to The Center for Sustainable Destinations (CSD), National Geographic Society, Geotourism is defined as *tourism that sustains or enhances the geographical character of a place—its environment, culture, aesthetics, heritage, and the well-being of its residents.* Geotourism incorporates the concept of place-based sustainable tourism—that destinations should remain unspoiled for future generations—while allowing for enhancement that protects the character of the locale. Geotourism also adopts a principle from its cousin, ecotourism—that tourism revenue can promote conservation—and extends that principle beyond nature travel to encompass culture and history as well or *all* distinctive assets of a place.

- A recent study sponsored by the Travel Industry Association of America and National Geographic Traveler, found that at least 55.1 million Americans could be classified as "sustainable tourists." Specifically, the study states that: *"These travelers have ceaseless expectations for unique and culturally authentic travel experiences that protect and preserve the ecological and cultural environment."* (Stueve-Cook-Drew, The Geotourism Study: Phase I, TIA-National Geographic Traveler, 2002)
  (Source: The Center for Sustainable Destinations, *National Geographic Society)*

7. Business Travel: Reluctant growth and cost containment

- A Robert Half Management Resources survey shows that 48% of employees travel for work less frequently that they did five years ago. Businesses have cut back on travel and instead rely on less expensive communications capabilities such as webcasts and videoconferences.
- Companies should expect to pay more for all components of a business trip in 2007. The National Business Travel Association (NBTA) predicts airfares will be up in 2007. This is consistent with the American Express forecast of a 5% to 8% increases in domestic airfares. Hotels will also be raising rates. NBTA says companies can expect to see 9% higher hotel costs. American Express predicts increases will be in the 3% – 5% range on lodging rates. Car rental rates will also be up. Both NBTA and American Express foresee increases of 8% to 9% in 2007.
- The results of the YPB&R/Y 2007 National Business Travel Monitor™ are now in and the outlook is quite sanguine: 35% of active business travelers are planning to take more business trips this year than last, while only 27% are planning to take fewer. But life on the road has apparently become much more serious than it was back in the go-go days of 2000: only one third of business travelers now plan to extend their business trips to take some time for leisure in the year ahead versus 60% who planned to do so in 2000. Perhaps more would do so if they found the experience more enjoyable:
    - Almost half (48%) of business travelers report they don't get enough sleep on business trips
    - 43% think the new airport security measures are a big hassle
    - 27% don't sleep well on business trips
    - 26% report eating too much on business trips
    - 19% get lonely on business trips

8. Generational Shifts: Retiring Boomers, GenX enters peak earning years, GenY And "MGeneration" becoming more defined

- Baby Boomers are entering their sixties! Travel tops the list of desired retirement activities across all ages of this segment. Other popular interests are: spending time with loved ones/ friends (42%); exercising more (42%); volunteering (37%); taking up a hobby (33%); acquiring new skills (29%) and taking classes (25%). *(Source 2005 Del Webb Baby Boomer Survey).*
- The aging population is not just a US phenomenon. By 2020, there will 700 million people over age 65 worldwide. *(Source: Deloitte & Touche)*
- On the other end of the spectrum, youth/student travelers make up 24% of all international travelers worldwide. There is a growing student population, with more diversity, traveling in higher percentages, at earlier ages, on more expensive trips, using technology, demanding more from their travel experience, and going to destinations further away than did previous generations. *(Source: Student Youth Travel Association, SYTA)*
- Demographers are identifying traits of the youngest age category as "Generation M" and tracking those under age 12. The "M" stands for multi-tasking and mobile. This is the generation that has grown up with IPOD, text messaging on their cell phones, and other forms of continuous and instant communication.
- According to YPB&R/Y, the incidence of leisure travel continues to be dominated by adults traveling as couples (61%), followed by adults traveling with children (31%) and adults traveling alone (28%). And "visiting friends and relatives" remains the most popular type of vacation (by 56% of leisure travelers), followed by beach/lake vacations (27%), general sightseeing vacations (21%), urban/city vacations (15%), cruise vacations (12%), camping/hiking vacations (12%) and theme park vacations (11%). One out of ten (9%) American leisure travelers took a gambling vacation, while only 2% took a golf vacation.

9. More demand by all travel segments for "Orientation and facilitation" - - evolving to more of a "concierge service on demand"

- Time poverty underpins this trend. Regardless of the type of traveler (business, leisure, meeting, etc.) today's traveler is impatient with the process of "finding the good stuff." From preferred restaurants, to lodging, to things to see and do, travelers report frustration with having to dig through tons of brochures, websites, etc. to find travel choices. They want someone or something that makes it gives them instant and easy information.
- Online concierge services such as travelnewyork.com are proliferating as consumers seek easier trip planning where planning services are provided.
- The Asheville CVB (NC) is leading a national trend with its recently opened destination visitor center which offers a concierge desk offering complete travel planning services.
- According to TIA's Ideal American Vacation Report released in February of 2007 the ideal vacation destinations for American vacation travelers are those that offer an easy travel experience, a sense of fun and adventure, and local flavor. What are the barriers to taking the ideal vacation trip? Although nearly 9 out of 10 travelers are highly satisfied with their last trip, fewer than half say that their last trip was close to their ideal. More than one-quarter say their trip was not close to ideal.

10. Dawning of New Travel Era: Reinvention of existing/aging tourism infrastructure to meet the needs of changing generational groups, demographic shifts and the new culture of "Transumers"

- All sectors of the travel industry are now being affected by the changing expectations of the traveling public. Boomers are aging, Gen Xers are moving geographically and into their peak career/earning years, GenY is entering their adult travel years, and everyone it seems is moving to another location. What will be affected? Everything from HOW we travel, to WHERE we travel, to WHAT we do when we travel.
- According to www.trendwatching.com TRANSUMERISM (crediting global design and business consultancy Fitch for coining the term) is about consumers in transition. For example travelers who have demanded shopping malls in airports, retail and entertainment in hotel rooms and wineries that will private label whole casks of wine for discriminating buyers. To most consumers, travel equates to temporary freedom. Detachment, fractional ownership or no ownership at all, trying out new things, escaping commitment and obligations, dropping formality, endless new experiences.
- InterContinental Hotels Group is in the process of shedding roughly half of the nearly 1,100 properties that it had in 2004, mainly by dropping substandard properties. Among the first to go: those two-story low-rises with exterior corridors that defined the early years of Holiday Inn. In their place: multistory, contemporary-style hotels with fewer rooms and smaller restaurants (USA Today)
- According to the Cruise Lines International Association (CLIA), the key industry trends that will determine the sector in 2007 are: New and refurbished ships; Innovative facilities and amenities along with new technology features on board; New ports of call; Enhanced programs on board; Changing of lifestyle demographics (Baby Boomers, Generation Xers, Honeymoons and Weddings); More luxury experiences;
- Backroads, a 30-year-old bike-tour company that helped popularize active travel, is taking a load off. To attract new customers and retain its aging outdoor enthusiasts, the Berkeley, Calif., outfit this month is unveiling plans to offer 22 new itineraries that involve none of the biking, hiking, rafting or strenuous walking that have long defined its trips. Instead, guests will be shuttled in vans to museums, markets, temples and vineyards--and they won't have to walk more than about a mile a day.

Other Trends to Watch & Noteworthy News:

RV Travel: US ownership of RV's has reached record levels. Nearly 8 million American households own at least one RV – a 15% increase over the past five years. Although retail sales of RV's were down 3.5% in the first 8 months of the year, 2005 is expected to be the second best year ever for RV sales. The typical RV owner is 49 years old, married, owns a home and has an annual household income of $68,000. *(Source: RVTravel.com, RVIA)*

Pet Travel: According to a TIA survey, 14% of all adults (29.1 million) say they have traveled with a pet on a trip of 50 miles or more, one-way in the past three years. Dogs are the most common type of pet to take (78%).

Youth Sports Travel: Parents that travel to attend games represent a growing sub-segment of the sports travel segment. According to TIA, more than 52 million Americans attended an organized sports event, competition, or tournament as either a spectator or participant while traveling.

Family Reunion Travel: According to the Gale Group, there are more that 200,000 family reunions in the US each year, attended by 8 million people. Reunions Magazine reports 73% of reunions have 50 or more attendees and 35% have more than 100. 6% have more than 200 attendees. 85% of reunions occur in June, July, and August. 64% of families expect to use a hotel or resort for their next reunion *(Source: Reunions Magazine)*

Potential Threat: Avian Flu
Airports and airlines are on high alert as they gear up for an outbreak of the avian flu among humans, a much-feared event that would put travelers and travel-industry workers on the frontlines of the fight against the disease. Many of the industry's new pandemic-prevention programs were spawned by the spread of SARS, which emptied hotels and forced flight cancellations in East Asia and North America in late 2002 and 2003. Airlines, airports and hotels are working to stop a bird flu pandemic before it starts. *(Source: San Francisco Chronicle)*

International Travel: TIA (Travel Industry Association) projects growth of 4.6% annually for each of the next ten years. There are a number of factors that will continue to strengthen international travel in general and travel to the United States in particular in 2007, helping reverse noticeable declines in arrivals from many key inbound markets from earlier this year. First, strong economic growth in most regions – spurred by continued expansion in China, renewed signs of life in some of the Eurozone's core economies, and low interest rates around the world – will generate increases in business and leisure travel. In addition, the strong performance of a number of major currencies relative to the U.S. dollar has made travel to the United States less expensive for a large number of international travelers. *(Source: TIA)*

The Ideal American Vacation Trip Report: Travel Industry Association (TIA) and American Express released results of a landmark report profiling what Americans actually do on vacation trips versus what they "want" to do. Some tidbits from the report include: Traveling by car is still the top form of transportation for a vacation trip; however, at least one trip per year is by plane. Generally, vacation travelers take at least two vacation trips that include hotel stays, but the most common accommodations are friends' or relatives' homes (24%) and moderately priced hotels or motels (19%). Americans most often take a vacation trip with their spouse or significant other (62%). The most popular trip destinations are cities and urban areas (39%), followed by small towns and rural areas (26%), and ocean beaches (23%). The most popular activities are sightseeing (51%) and shopping (51%).

Know your potential Customer

The following data is from the U.S. Census Bureau and can be found at census.gov

U. S. Population, 2006 estimate	299,398,484
Population, percent change, April 1, 2000 to July 1, 2006	6.4%
Persons under 18 years old, percent, 2005	24.8%
Persons 65 years old and over, percent, 2005	12.4%
Female persons, percent, 2005	50.7%
White persons, percent, 2005 (a)	80.2%
Black persons, percent, 2005 (a)	12.8%
American Indian and Alaska Native persons, percent, 2005 (a)	1.0%
Asian persons, percent, 2005 (a)	4.3%
Persons of Hispanic or Latino origin, percent, 2005 (b)	14.4%
White persons not Hispanic, percent, 2005	66.9%
Foreign born persons, percent, 2000	11.1%
Language other than English spoken at home, pct age 5+, 2000	17.9%
High school graduates, percent of persons age 25+, 2000	80.4%
Bachelor's degree or higher, pct of persons age 25+, 2000	24.4%