

Brian London,
Travel Industry Indicators
FACVB
April 14, 2011

1,000 words



**ST. AUGUSTINE
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ON FLORIDA'S HISTORIC COAST



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I want you to think about things in a way you haven't before

Cookie storage?



Shoe storage?



I want you to think about **travel** in a way you haven't before



Source: Travel Industry Indicators.
Presented at FAVCB 4/14/2011.

I want you to think about **travel** in a way you haven't before



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Philosophy...



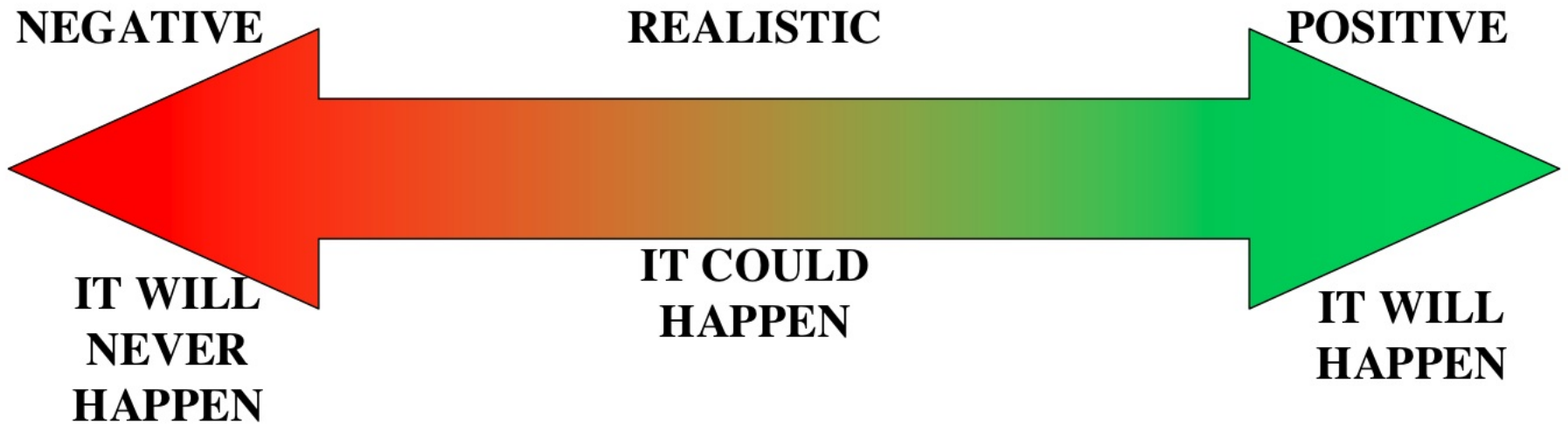
: Travel Industry Indicators.
nted at FAVCB 4/14/2011.



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When you first arrived at your bureau,
what did you implement first?

When you hear new idea, you think?



5 items for visitor yield

- 1) Where from?
- 2) Where they stayed the night?
- 3) How many people came with them?
- 4) How long did they stay?
- 5) How much money did they spend?

= not all visitors are worth the same amount

- Indexing (← this is the answer to the 'But why visitor yield' question).
- The viable yield ratio of non-resident visitors and their propensity to engage known behaviors

Yield

- Frequent Visitor
 - From Orlando
 - Stayed in a Hotel
 - Husband/Wife traveling
 - Two nights stayed
 - \$700 total spend
- Occasional Visitor
 - From Naples
 - Stayed in a Hotel
 - Husband/Wife traveling
 - Three nights stayed
 - \$1200 total spend

Yield means the visitor from Naples is more valuable than the one from Orlando

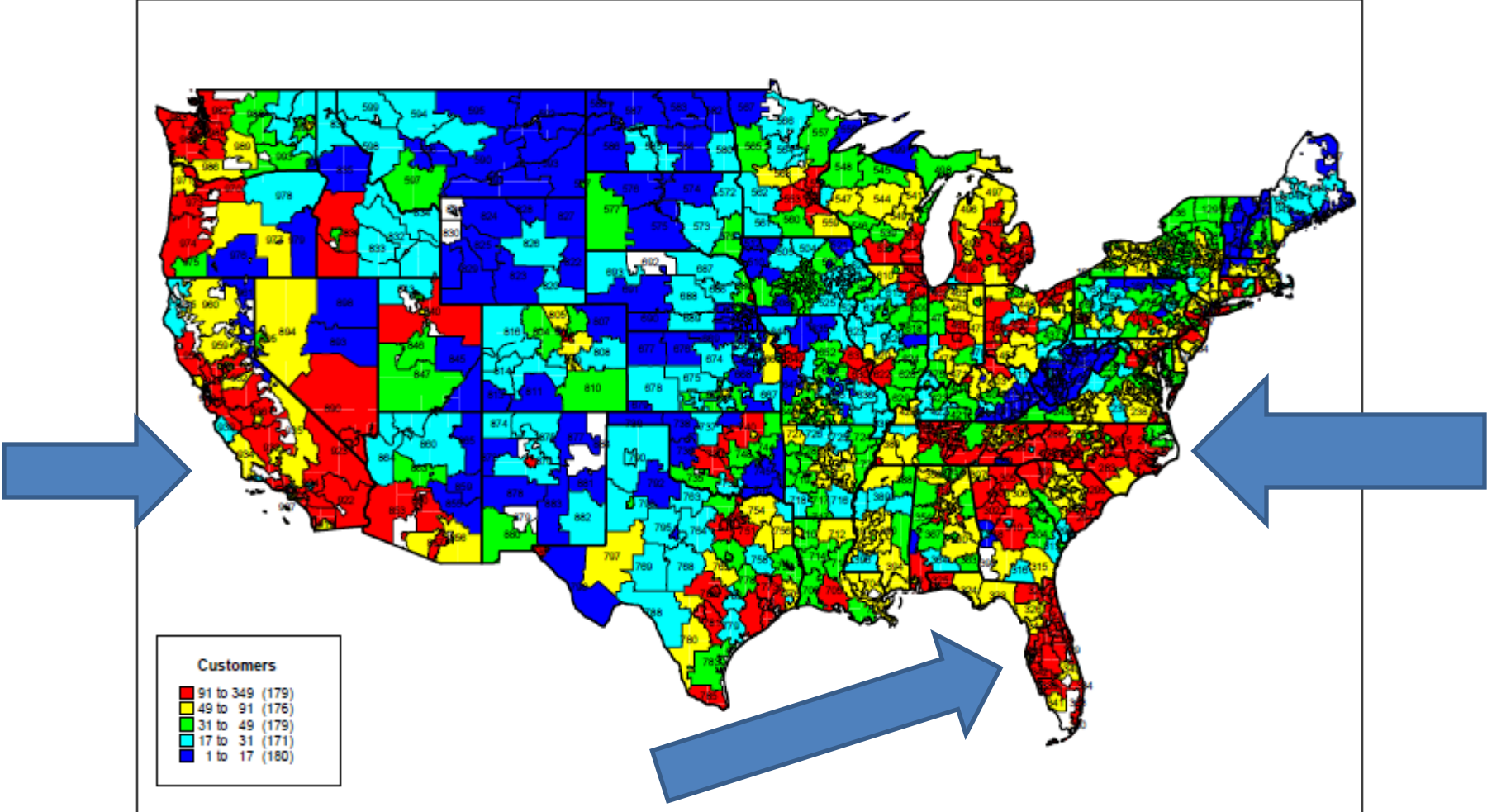
Track check: Already segmenting by yield/visitor type?

Track check: Spend marketing dollars in markets that supply zero visitors?

...

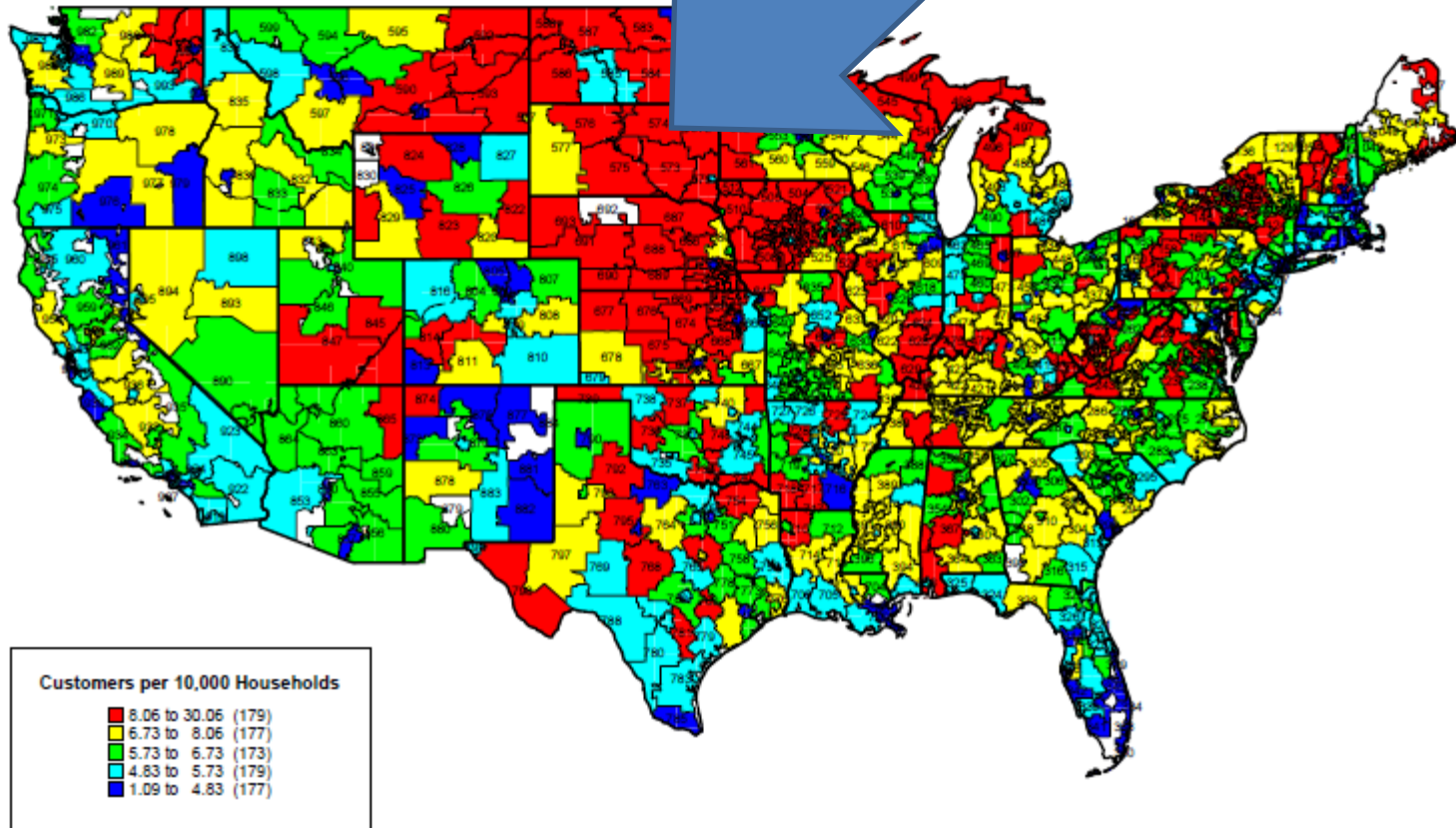


Distribution

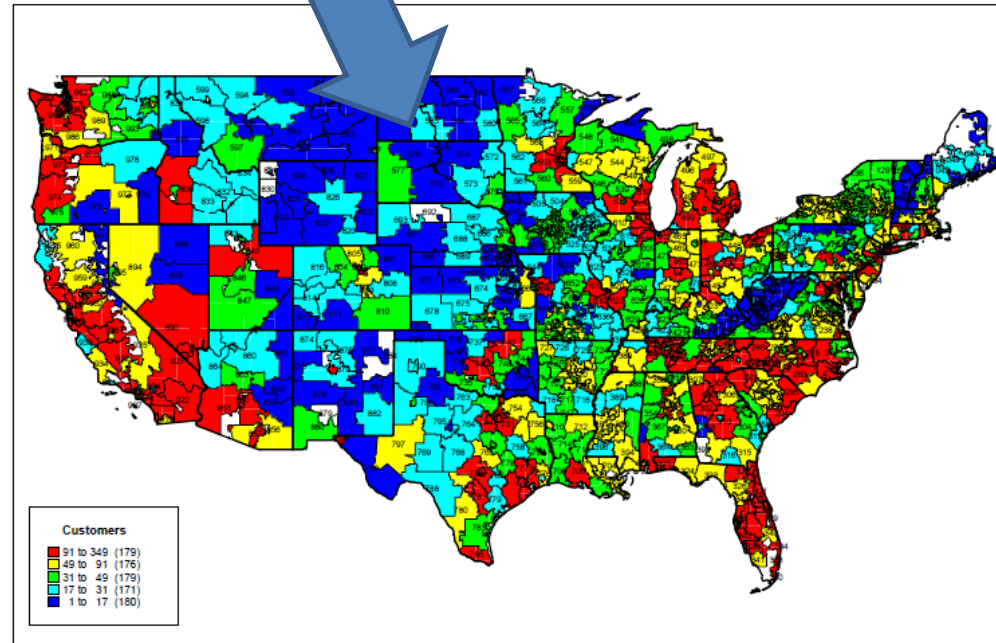
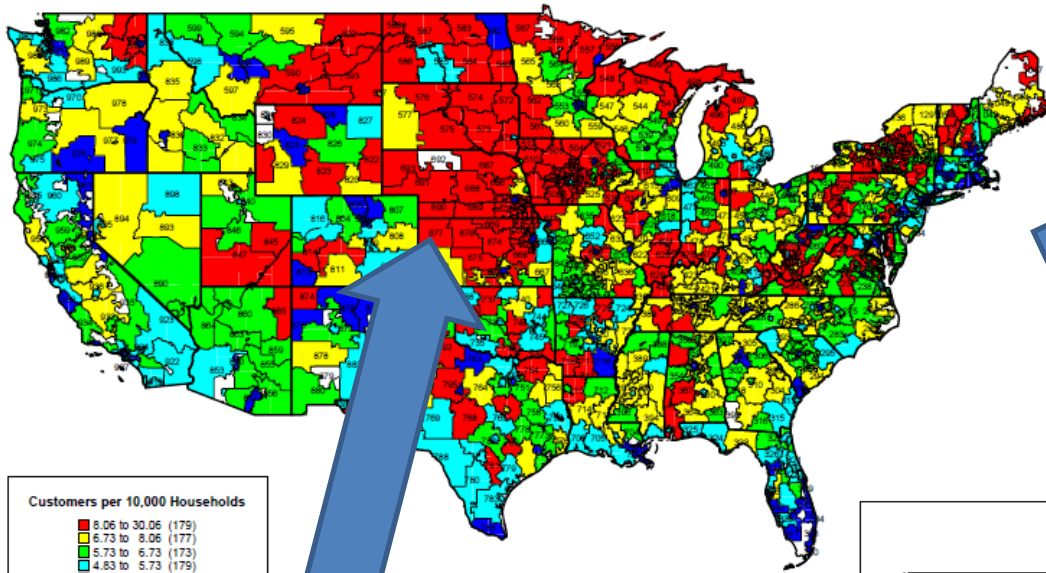


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Index!



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Value-Marketing?

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NEW Value-Marketing

SORRY
IMAGE
NOT
AVAILABLE

IMAGE
LABLE

Example

Hotel Offer

- Free breakfast with lodging

Consumer Activation

- Lodging, gets free breakfast

Example

Hotel Offer

- Free breakfast with online review of housekeeping

Consumer Activation

- Lodging, gets breakfast credited to bill after going online and writing review of housekeeping.

Value

- Value marketing
 - Lowers expectations
 - Encourages lemmings
 - Quickly ends the financial relationship
 - Encourages substitution
- NEW Value marketing
 - Heightens expectations
 - Differentiates product in marketplace
 - Enables consumers to become advocates
 - Creates breakage

Transition Slide

Travel Indicators?

- Length of Stay
- Party Size
- Vacation days used
- Where from
- Dollars spent
- Repeat visitors
- Purpose of trip
- Economic impact
- Activities pursued
- Destination weddings
- Babymoos
- Staycations
- MICE
- Special events

Surface indicators only!

Knowing these can position you to anticipate what is likely to happen tomorrow

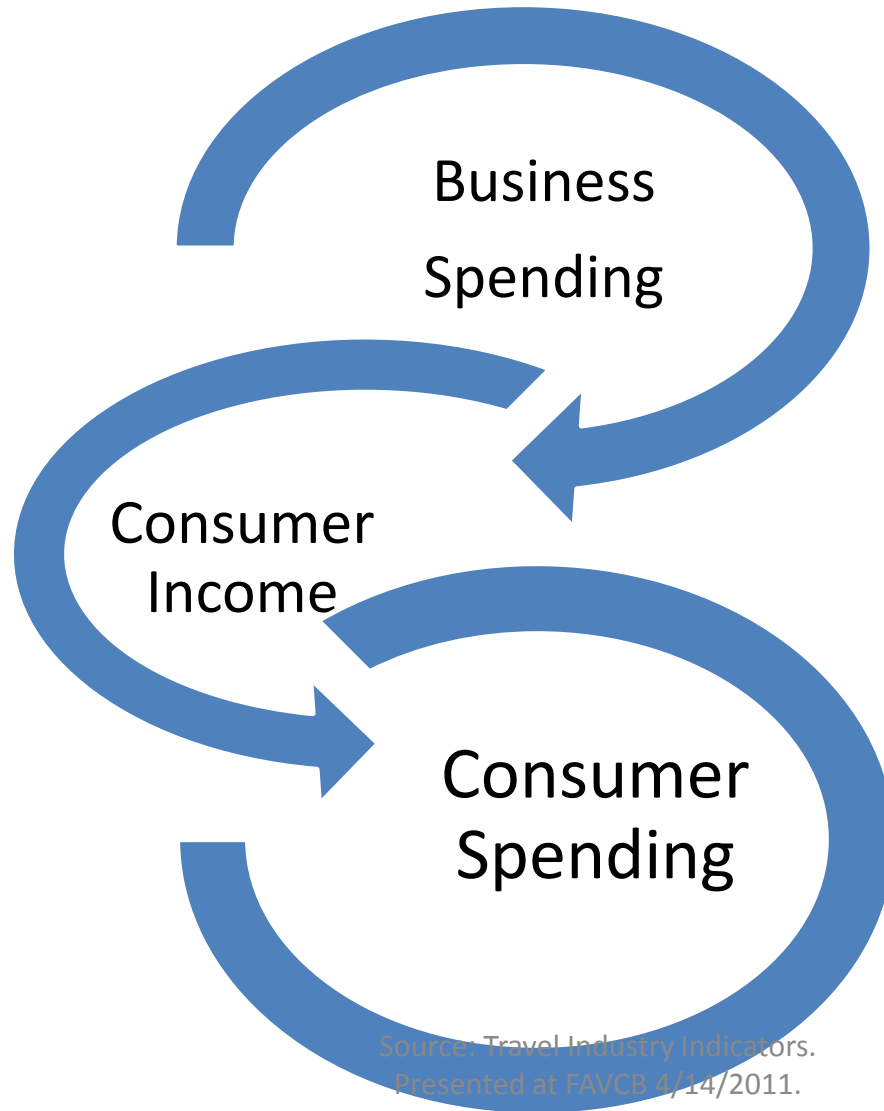
TRAVEL IN
INDICATORS



• Labor employment
• Income
• Spending
• Spending
• Airline Traffic
• Airfare
• Capacity

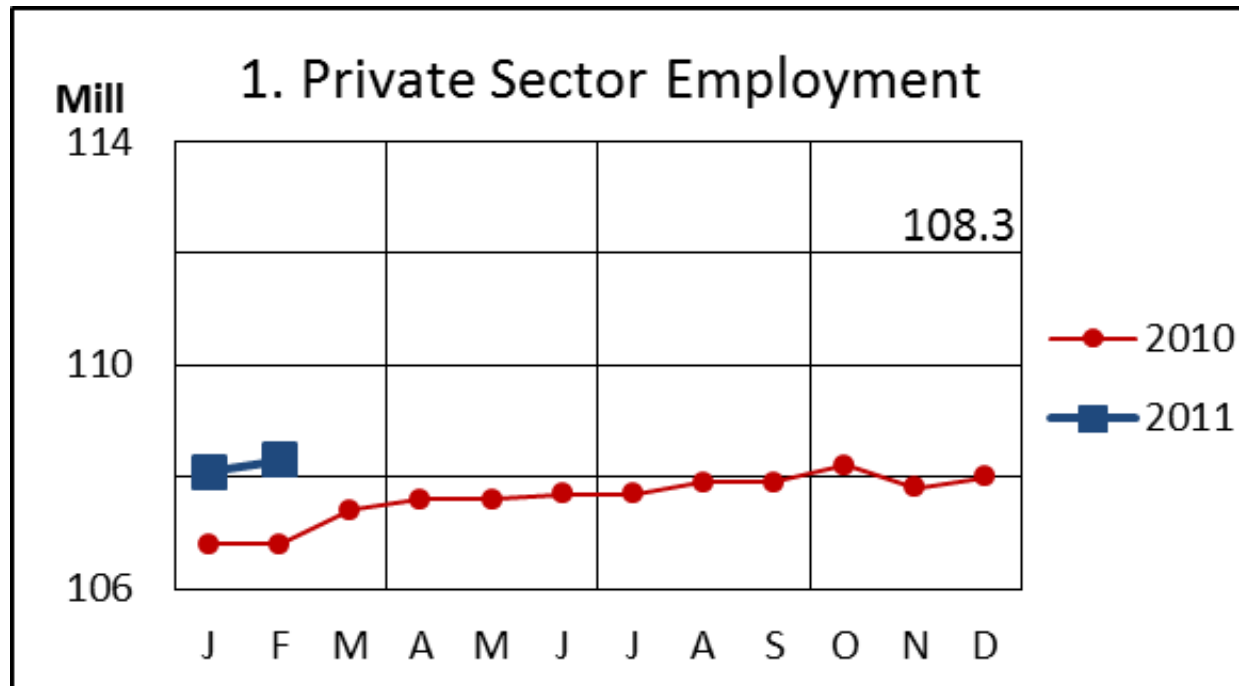
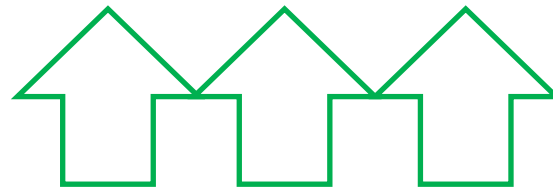
- Travel Prices
- International Airline Traffic
- U.S. Dollar Exchange Rate

One indicator leads to others...



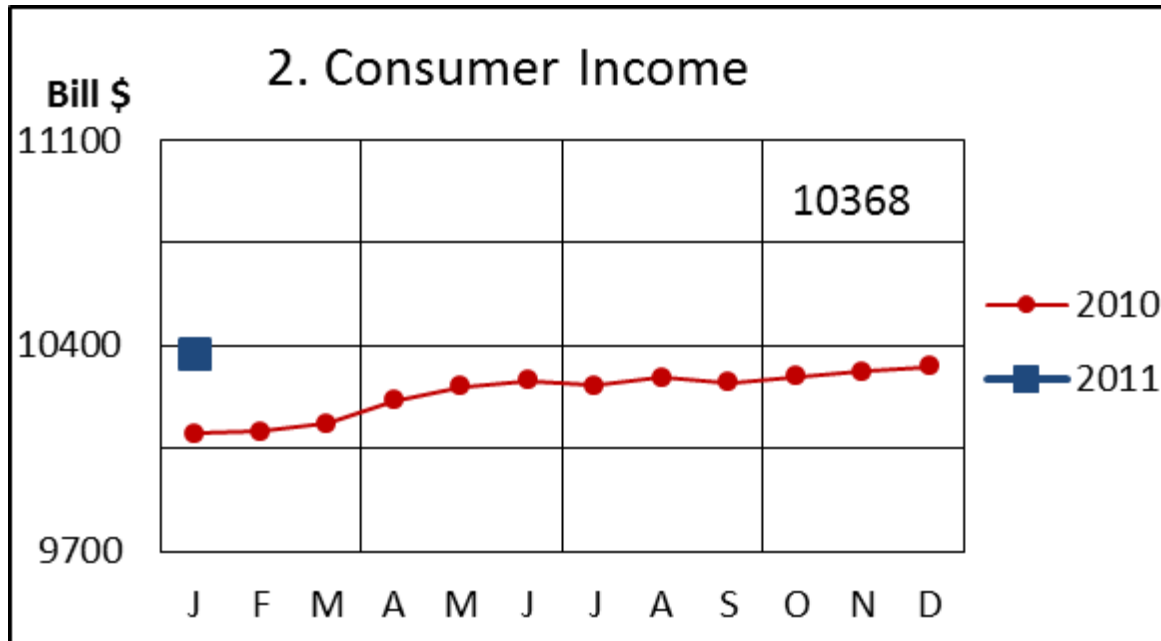
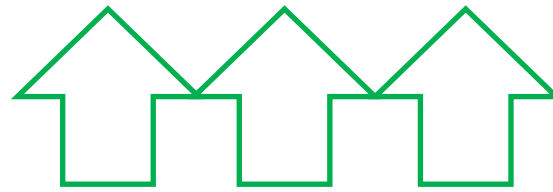
Source: Travel Industry Indicators.
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Job gains continue, though at a monthly rate still below what normally occurs in recovery periods



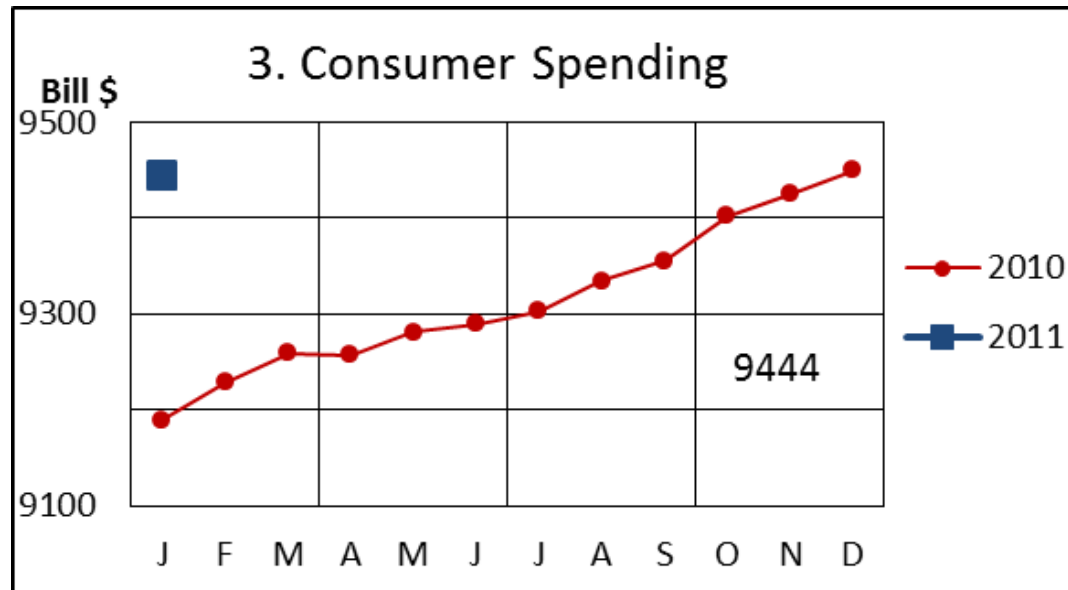
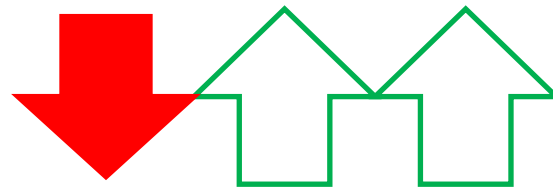
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Reduced employee contributions for government social insurance boosted income by reducing social security contribution rates.

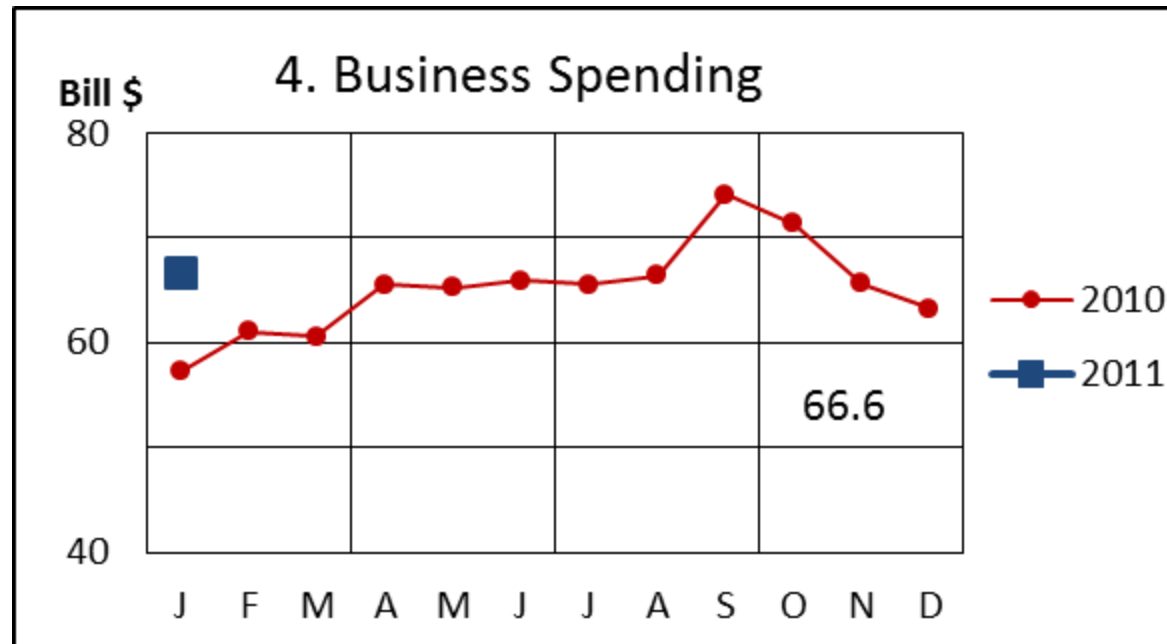
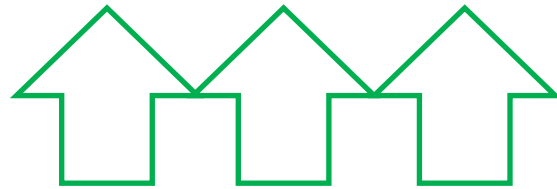


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A rising consumer saving rate (5.8% in Jan'11) is taking its toll on spending. Possible retrenchment by consumers to come.

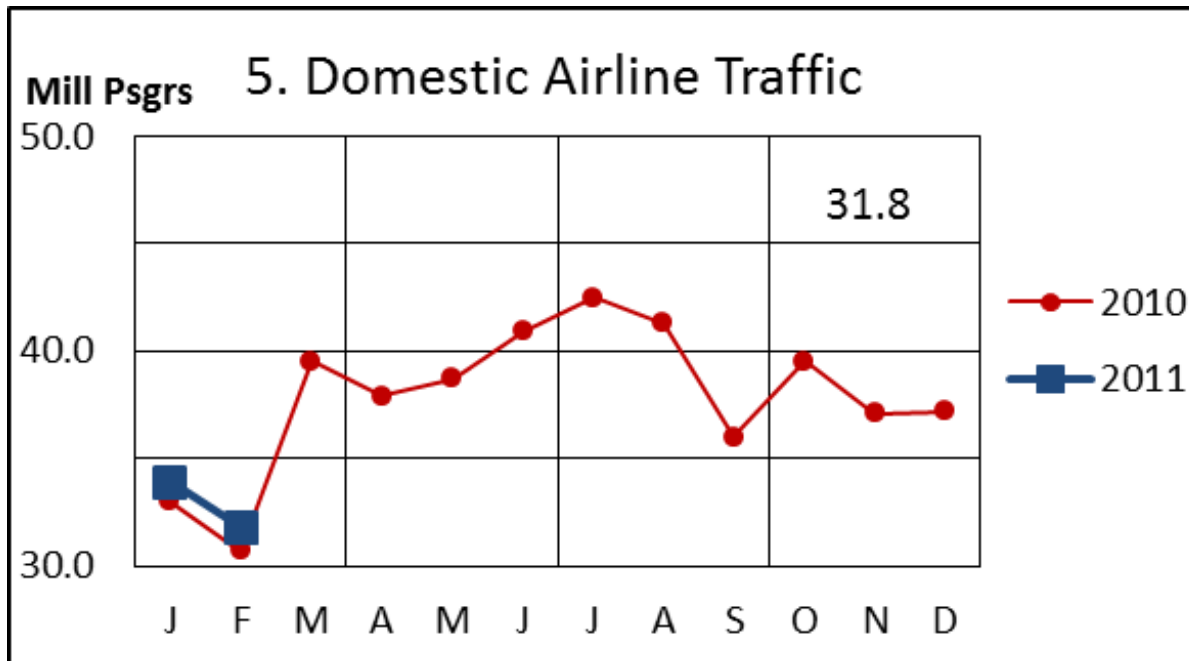
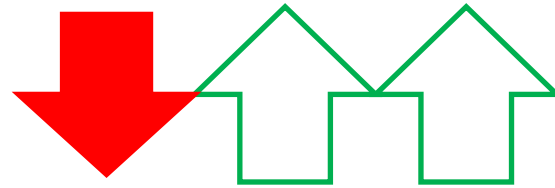


Monthly gains in capital spending by companies are an encouraging sign of rising business confidence



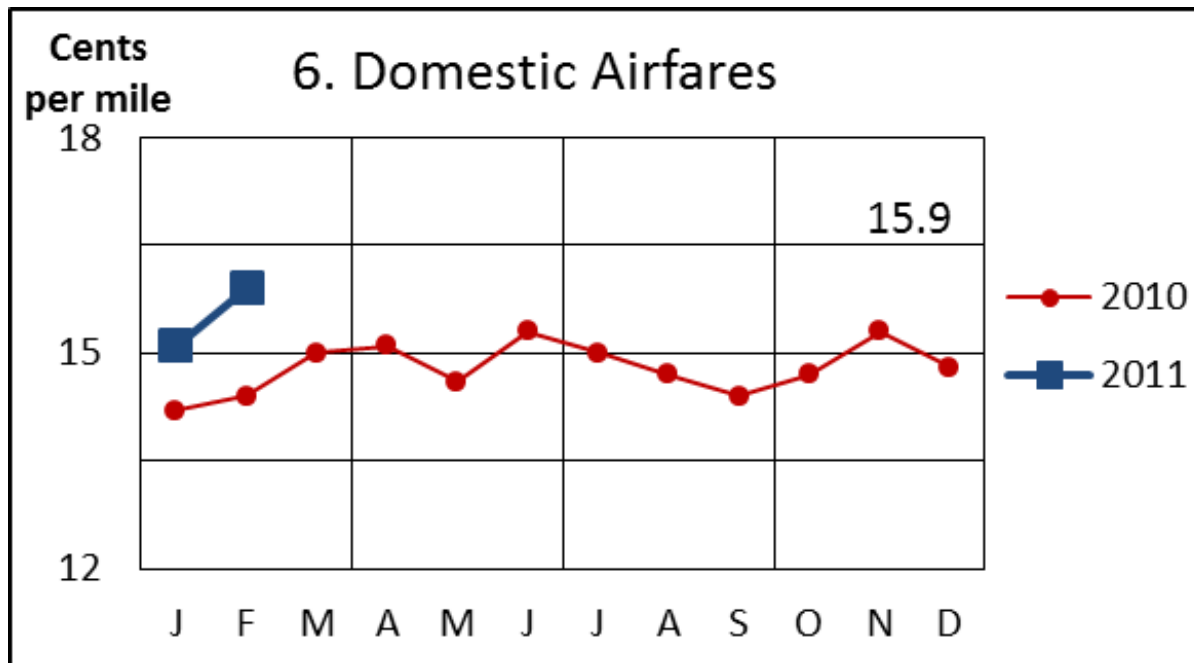
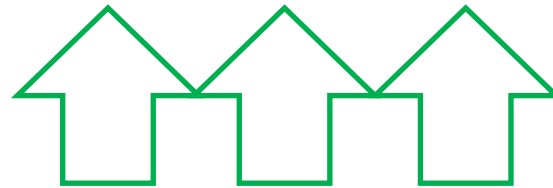
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Prior year comparisons are valuable here; seven months of y/y percent increases despite rising costs



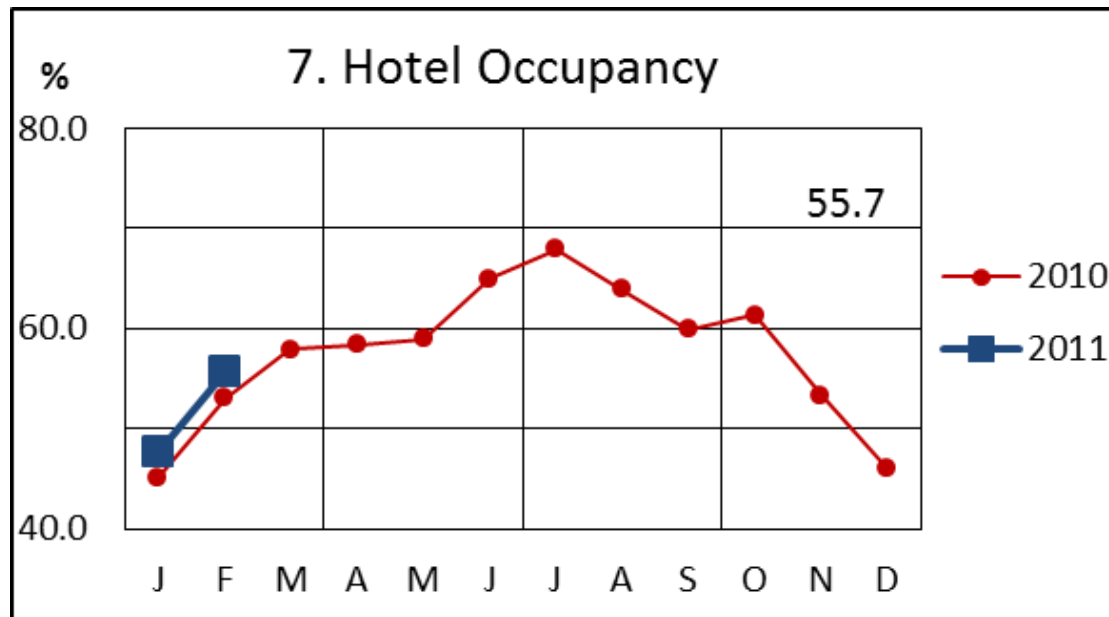
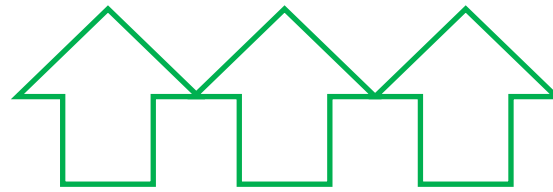
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Airlines will continue to close less profitable routes. Look for prices to rise as load factors increase



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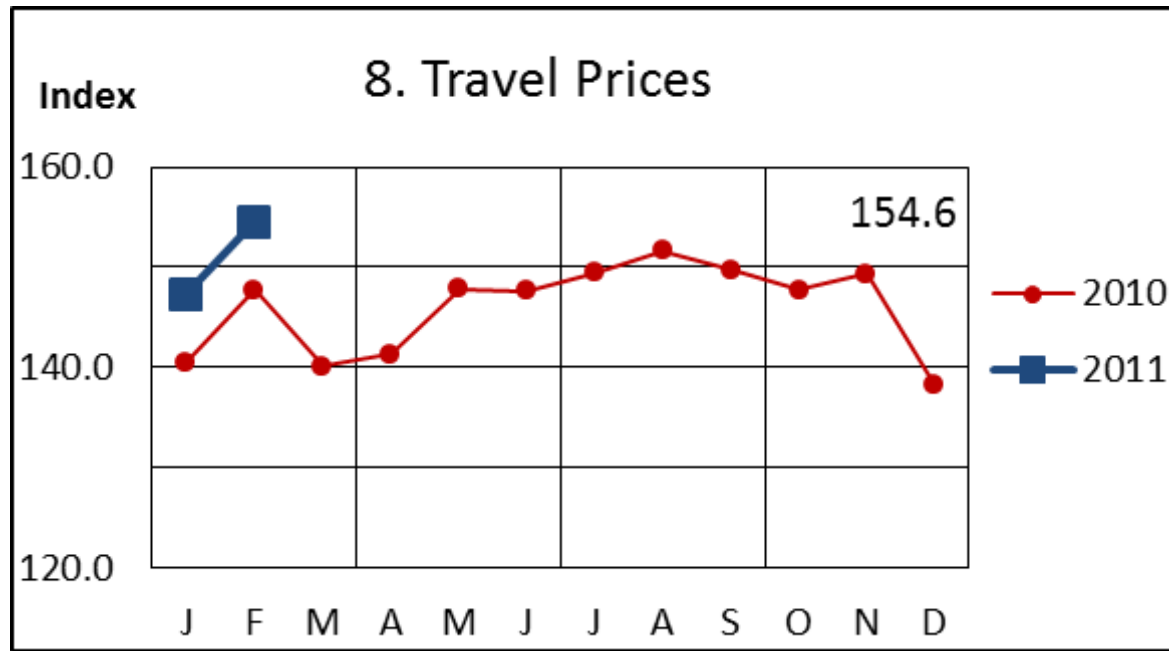
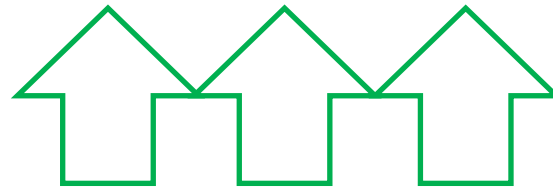
Rates have come back stronger than occupancy.
An oversupply and pipeline construction might keep this measure in check.



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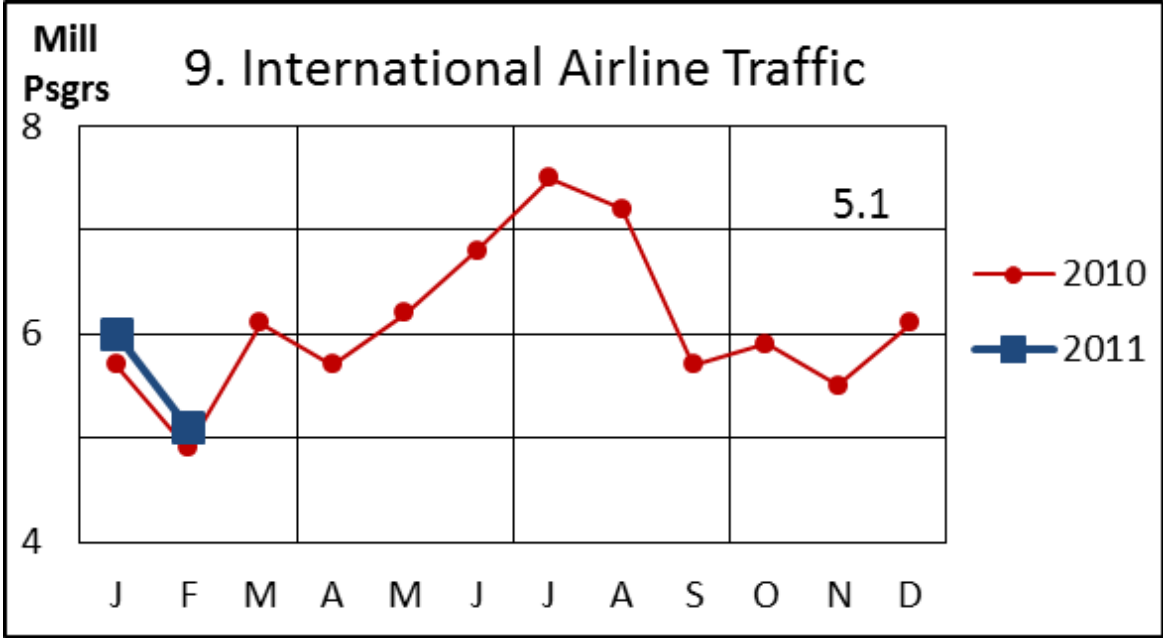
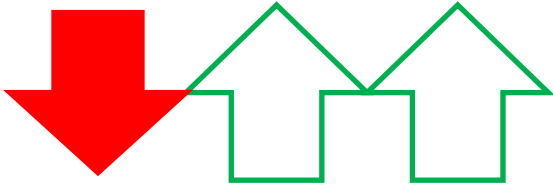
Monster increase in air prices push this index higher.

Also, with commodity prices up; look for food prices to increase 2-3% or more.



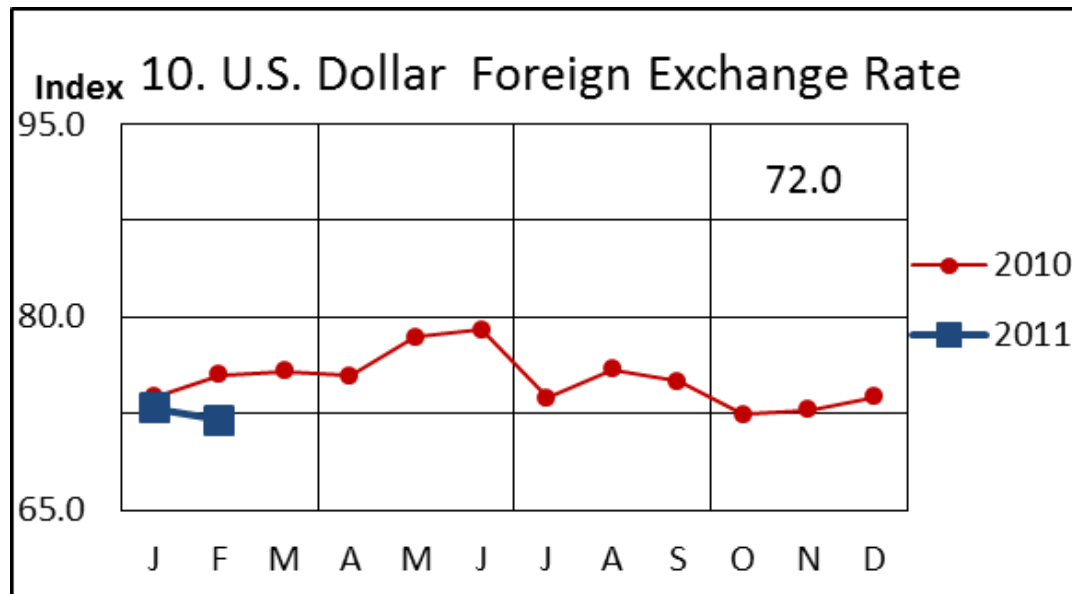
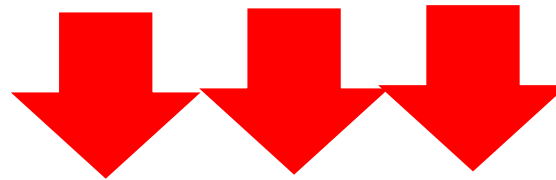
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Political unrest in the Middle East and North Africa is estimated to have cut international traffic by about one per cent.



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Presented at FAVCB 4/14/2011.

Trade and budget deficits keep a steady stream of dollars leaving the country; combined with an even bigger supply of dollars outstanding, the value lowers.



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Presented at FAVCB 4/14/2011.

Implications and Initiatives

- Depository of visitor information...
- Shift from visitor statistics to visitor dynamics.
- **Statistics = static** understanding the visitor.
 - Average Party Size = 3.2
- **Dynamic = changing** understanding of the visitor.

Perspective



Source: Travel Industry Indicators.
Presented at FAVCB 4/14/2011.

Thank you

- Questions?
- Comments?
- Local perspective?