



National and Wisconsin Travel Intentions and Attitudes

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Destination Analysts, Inc. prepares two national trend studies annually, January and July, titled "The State of the American Traveler". The following report is based on a portion of the July 2010 edition of the report and also compares those findings with other national research data as well as the Department's research on the Wisconsin tourism industry.

National Travel Intentions and Attitudes

- In the Destination Analysts' January 2010 report, one-third (33.1%) of respondents intended to take more leisure vacations in the coming year (the next twelve months). The July report found a slight shift in sentiment with just over one-quarter (27.6%) noting their intention to take more leisure travel during the upcoming twelve month period.
- The July study also found that there was an increase in the percentage of people planning to travel less during the next twelve months. The percentage of those who said they were going to travel less increased to nineteen percent (18.9%) in July compared to the January findings of nearly fourteen percent (13.6%).
- Destination Analysts' findings also track with the Consumer Confidence Index which had also fallen in July. The Conference Board announced that the Consumer Confidence Index fell for a second straight month, to 50.4 in July from June's revised level of 54.3. Reuters-University of Michigan Consumer Sentiment index also fell to 67.8 in July from 76 the month before.
 - The Consumer Confidence Index had increased in December 2009 and improved further in January 2010. The Index stood at 55.9 during January 2010. The latest reading of 50.4 is much higher than the record low of 25.3 hit in February 2009, but is significantly below 90, a level that typically indicates a stable economy.
- The Destination Analysts' study also found that some travelers may adjust their travel decisions based on the current economic climate. The two most frequently mentioned adjustments that travelers would make in their behavior were: "Look for Discounts and Bargains" and "Visit Less Expensive Destinations". In essence, more value for the cost.

Wisconsin and National Comparisons

- The trend of travelers to be more value-conscious, is a trend also found in a study conducted in January 2009 by Sports and Leisure Research Group: “The ‘New Frugality’ means value not cheap prices.”
- The trend toward more cost-conscious adjustments that travelers expressed on the national level may bode well for the Wisconsin tourism industry. Department studies indicate that travelers perceive Wisconsin as a good value for the cost.
 - In a 2008 Department study, respondents rated the value to cost for a Wisconsin vacation on a scale of 1-10, with 10 being the best value. Wisconsin received an overall rating of 6.96 (high). However, over forty percent (40.3%) rated the value between 8-10 (very high) and sixteen percent (15.7%) rated the value between 9-10 (excellent).
- The Destination Analysts’ study also asked what kept people from traveling more. The three major reasons cited are as follows: Personal Financial Reasons; Cost of Gasoline; and, the Price of Airline Travel.
- Wisconsin is primarily considered a “drive-to” and “getaway” destination for those in our core markets of Chicago, The Twin Cities and Wisconsin. The price of gasoline and air fares may have a greater negative impact on long-haul travel destinations than on closer-to-home travel both to and within Wisconsin.
 - The Department’s 2008 study found that twenty-two percent (22.2%) stated that the cost of gasoline would not affect their plans to travel to Wisconsin while ten percent (10.3%) said they would reduce the number of Wisconsin trips and ten percent (9.3%) will travel closer to home. At that time, gasoline was close to \$4.00 per gallon.
 - In the 2008 study, participants were also asked what they would do if the price of gasoline rose to \$5.00 per gallon. One-half (51.4%) said they would reduce the number of trips to Wisconsin while nearly four in ten (38.1%) said they would travel about the same number of times as they have in the past.
- While the overall perception of the economy has become increasingly negative due to the prolonged recession, it appears that the cost of travel, and specifically gasoline prices, may not be as significant a deterrent to taking a Wisconsin vacation as it appears to be on a national level. Current gasoline prices are averaging around \$3.00 per gallon.

In spite of the cost-conscious environment, Wisconsin tourism destinations are in a better competitive position than their long-haul and high priced destination counterparts. As a consequence, Wisconsin tourism entities may remain competitive with only modest discounts or even no discounts at all to attract visitors. Adding value to the traveler experience is the key.