

Tourism Trends: Who Is Your Market?

Presenter: Laura Negron

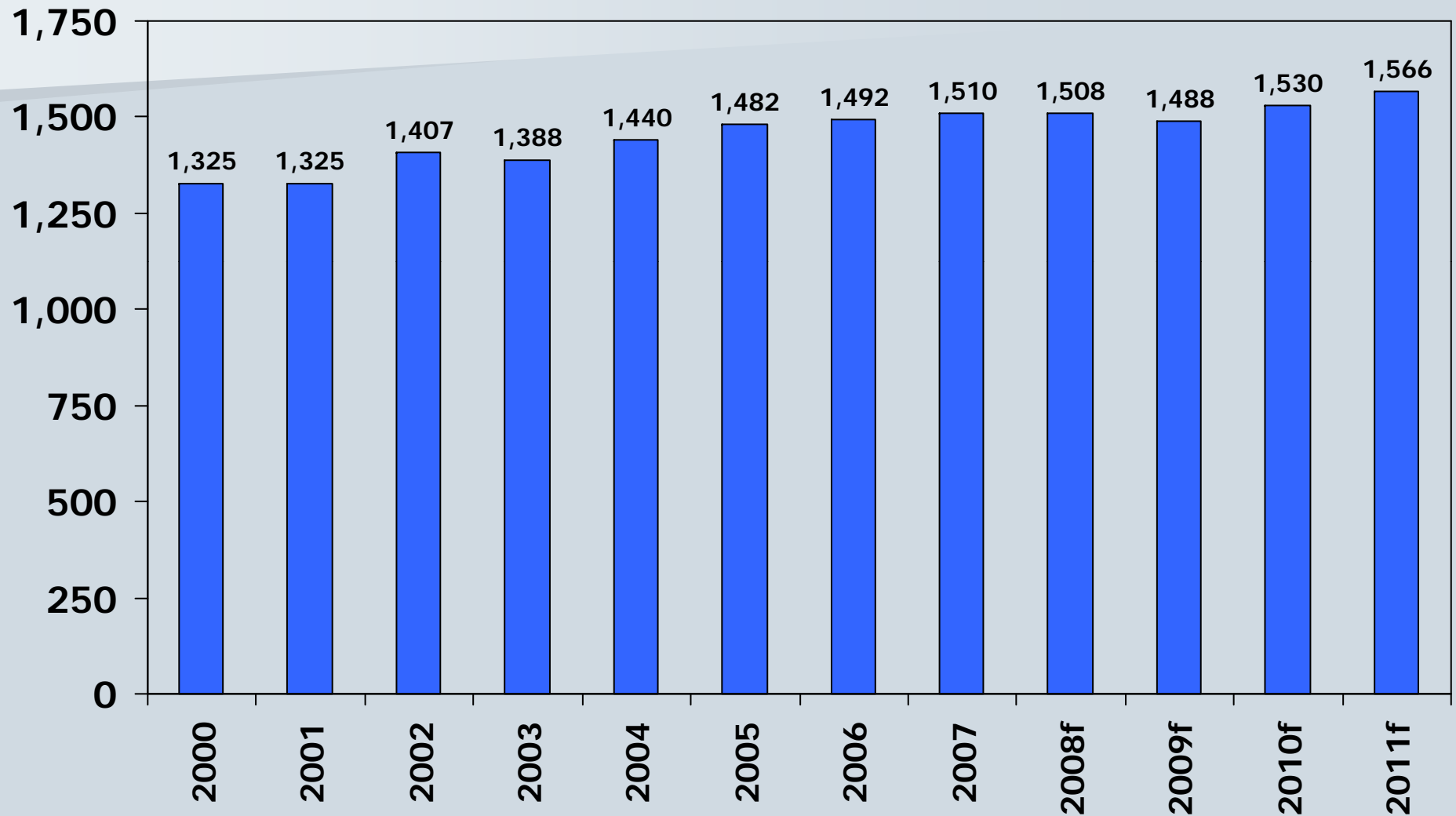
Research Director, Tourism, Arts and Heritage Cabinet



The Future Looks Bleak – Or Does It?

- Consumer Confidence and the Traveler Sentiment Index are at their lowest ratings on record.
- Hotel Occupancy is flat or down in every region of Kentucky.
- Most analysts are predicting that travel will continue to decrease through 2009 before making a comeback in mid-2010.

Leisure Forecast: 2009 falls to 2005 level then recovers to a new high in 2010



Source: USTA Annual Travel Forecast

Flexibility = Survival

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

-Charles Darwin

The Good News

- Travel is a \$10.7 billion industry in Kentucky
- Vacations are needed now more than ever
- People are still going to travel
 - 71% of U.S. adults say they plan to take an overnight leisure trip in the next 6 months
 - U.S. adults rated travel second to dining out as the leisure activity they are trying to afford

BUT...

Sources: Smith Travel, USTA

The Way They Are Going to Travel is Going to Change

- Shorter, closer trips
- Less discretionary spending during a trip
- Trading down, not out
- Destinations that are seen as a value
- Authenticity is highly valued
- Packages

“Americans are waiting to book and cutting back on travel spending in response to the economic situation, uncertainty and higher costs”

-Dr. Greg Dunn, YPartnership

Use This to Your Advantage

- Offer value
- Focus on the “drive-to” market
- Promote to your local market
- Partner with your local CVB, hotels and other attractions
- Offer customers suggested itineraries



- Home
- You Told Us
- Tell Us About It
- Discounts
- Romantic
- Cabin Fever
- Video
- Contact Us



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Where in KENTUCKY is Pat?

You may hear him on radio or see him on TV promoting all the great places in Kentucky.

Put your detective skills to the test, and maybe you'll be the first to guess 'Where in Kentucky is Pat?'



Travel ideas for Kentuckians from Kentuckians.

Tell us about the best places or things to do with your family. Great out of the way shoppes or unique shopping locations. The most scenic places around Kentucky. Send us your travel idea, and

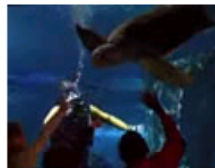
Discover Your Own Backyard



Endless fun throughout Kentucky. There's plenty of good seasonal weather to enjoy, so it's time to check out the endless opportunities for family entertainment and fun that exist throughout Kentucky.

← Every region in the state presents opportunities throughout the year. Use our map and have a look around the state for enjoyable and uniquely Kentucky travel ideas ... right in your own backyard!

Visit Newport Aquarium



Monica Hardin visits the **Newport Aquarium** for an under the sea adventure.

Enjoy the penguin encounter, or get up close and personal at Shark Central, where you can touch sharks swimming by.

Video running time: 3:42

play video

Earle Watch Weekends



Internet

Traveler Characteristics

- Asked what they are likely to do on vacation next year?
 - 82% are “considering booking a packaged vacation rather than buying separately”
 - 81% said they would “stay at less expensive hotels & resorts”
 - 78% said they would “spend less overall”
 - 78% said they will “take shorter auto trips from home”
- Destinations and attractions should expect not only fewer visitors, but also less spending.
- The majority of consumers also say they still want to take a trip but will cut back on spending at home when returning from vacation.
- We must continue to provide and offer value by making it easy to find and book travel and provide convenient access to destinations.

Traveling with Children/ Educational Travel

- 71% of parents surveyed wish their family spent more time together as a group
- 69% wish they had more time to just sit and talk with their kids
- Travel with children increased from 26% to 36% from 2000-2008
- Multigenerational travel
 - 38% of leisure travelers are grandparents
 - 27% took at least 1 trip with grandchildren

Cultural Events and Festivals

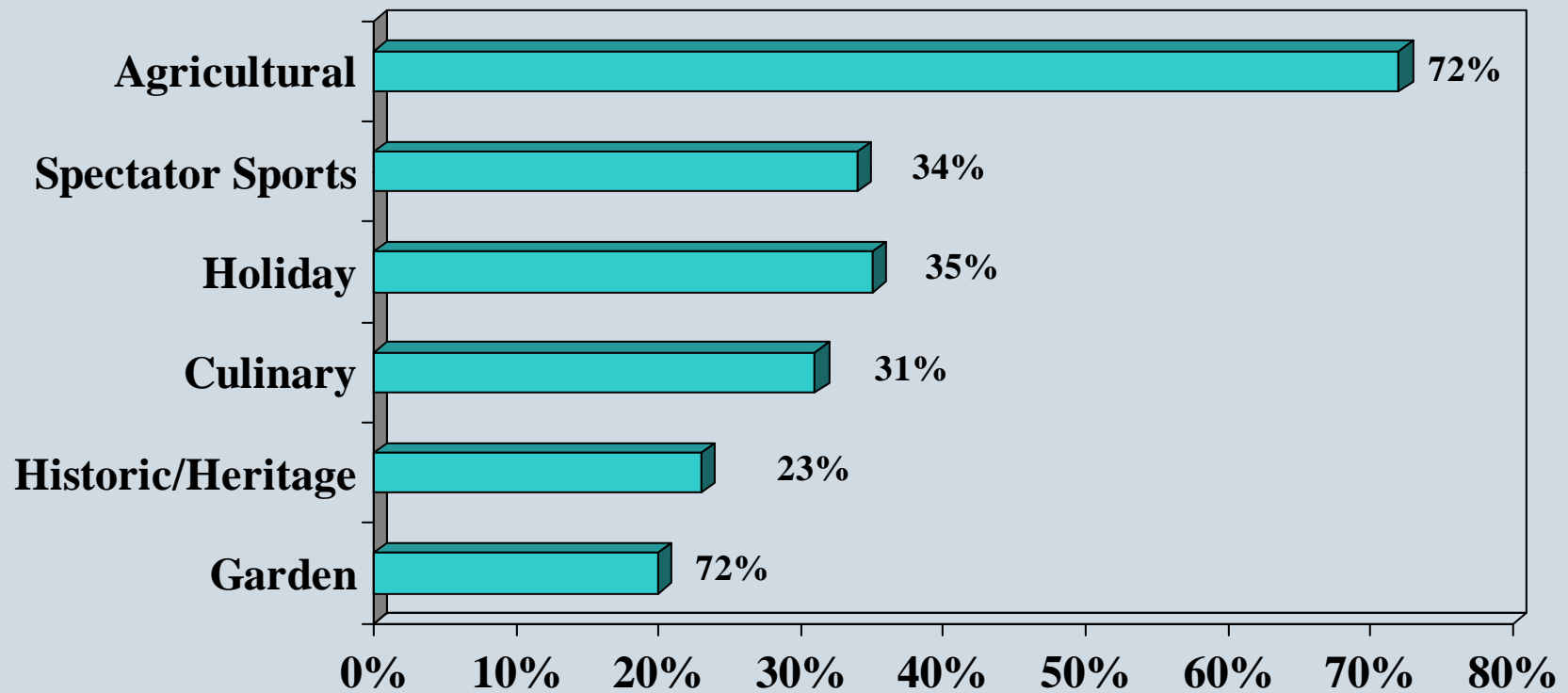
- 75% of American adult travelers attended a cultural activity or event while on a trip during the past year
 - Performing arts events
 - Art museums
 - Antique Shops
- How can Agritourism fit into this?

Personalized Packaged Travel

- Personalization/Customization: “The New Strategy”
 - 35% of survey respondents said they were willing to pay more for customized products and services.
 - New focus on “customer-created” experiences.

Special Interest Travel on the Rise

Change in Tourism Offered by NTA Operators 2008/2007



Source: National Tour Association

Heritage Trails

- Visitors who travel to historic places tend to stay longer and spend more money
- These travelers are looking for **authentic** experiences
 - Kentucky Bourbon Trail
 - Kentucky Barbecue and Bluegrass Trail
 - Kentucky Lincoln Heritage Trail
 - Kentucky Quilt Trail
 - Kentucky Agritourism Trail???

2010 Alltech FEI World Equestrian Games

- Thousands of guests from around the world
- Most are expected to stay 1-2 weeks
- Tourists will be traveling across the entire state seeking interesting experiences

Questions??

Laura Negron
Research Director
Kentucky Tourism, Arts and Heritage
Cabinet

Laurar.Negron@ky.gov

502-564-8110 ext 131

