



Idaho | 2005 VISITOR PROFILE PUBLIC VERSION



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- This report provides a comprehensive analysis of the travel market in the U.S. and Idaho. The objective is to better arm travel marketers and planners with the intelligence they need to develop tourism marketing strategies that will attract new visitors and provide a travel experience that will earn repeat visits and referrals.
- The body of this report is divided into four main sections, each targeted to various tourism functions.
 - The *Market Assessment* section provides an understanding of the size of the tourism market in the U.S. as well as the destination itself.
 - The *Targeting* section describes travelers to a destination and helps travel marketers and planners target future visitors by identifying the largest market segment as well as the growth segments.
 - The *Positioning* section delivers in-depth understanding of the destination’s positioning versus the competition, which will help to better craft product offerings and messages to the target markets.
 - Finally, the *Communicating* section will help the reader know from where the destination’s visitors are originating so that they can launch marketing campaigns that are developed from the intelligence provided in the Targeting and Positioning sections.
- Each of these sections is further divided into three sub-sections:
 - *Section Introduction*: The introduction will introduce the reader to the analysis that will be presented in the upcoming section so the reader will have a better understanding of the fine details.
 - *Detailed Data Graphs*: The detailed data graphs present the data in three primary ways
 - the destination compared to the U.S. and Competitive Set,
 - the destination compared to five specific competitors, and
 - the destination’s performance trend over time.
 - *Section Summary Findings*: The section summary findings reviews the key conclusions from the data presented in the detailed graphs. This section is good for busy executives who need to know the key conclusions from the data.



Background

This Idaho visitor study provides travel intelligence on U.S., Comp Set and Idaho travel trends from 2000 through 2005.

- Volume and profile data are from D. K. Shifflet & Associate's **PERFORMANCE/MonitorSM Travel Intelligence SystemSM** – the largest travel tracking system in the U.S.
- The 2005 Idaho Overnight Leisure visitor profile is based on a sample of 730 Overnight Leisure Stays that occurred in 2004 and 2005.
 - Appendix B contains details on study methodology, while
 - Appendix C contains definitions of terms such as *Person-Stays* and *Person-Days*.



Market Assessment

- Idaho is gaining share of both the U.S. and it's Comp Set travel in the number of Travel Parties (Stays) since 2000. Total parties are up substantially over 2004, with greatest gains in Leisure and Day trips.
 - Idaho Overnight Leisure trips grew 3.9% over 2004, against 2.8% growth for the U.S.
- Idaho mirrors the Nationwide Post-9/11 trend, with Party Size expanding between 2001 and 2004 due to increasing family travel and group trips bringing close friends together.
 - Since 2004, travel appears to be reverting to pre- 9/11 patterns. Idaho Leisure party size has fallen almost 9% and Overnight Leisure party size has fallen 2.8%.
- From 2000 to 2005, Idaho has increased its share of U.S. travel, indicating that Idaho is attracting a larger slice of the U.S. travel pie on each measure of visitor traffic.
 - Moreover, Idaho spending at a faster rate than the U.S. and Comp Set, gaining share.



Targeting

- The typical Idaho traveler is younger, more likely to have children than in U.S. and Comp Set and is lower in income than the average for U.S. travelers.
 - By generation, Idaho has a higher share of Gen X and Millennial travelers than the U.S. and the Comp Set. From 2001 to 2005 Idaho has also increased share of these travelers.
 - These younger travelers are more susceptible to economic impacts that affect travel patterns. Young families also face declining disposable income.
 - Boomers and older travelers remain an attractive market segment, with high travel activity and higher per trip spending as compared with younger traveler.
 - Nearly half of Idaho visitors have children in the household, well above U.S. and Comp Set.
 - Idaho visitors' average household income is 7% below that of U.S. travelers and just above the Comp Set average.
- Compared with the U.S. average a lesser proportion of Idaho visitors stay in paid accommodations. Lodging expenditures, on average, are also lower.



Lifestage Analysis:

Combines age, presence of children and income to form seven mutually-exclusive Lifestages.

- The greatest proportion of Idaho visitors are in the ‘*18-34 Family*’ Lifestage.
- Family travelers age 35-54 make up 23% of Idaho’s Overnight Leisure base.
 - High income 35-54 year old family travelers anchor Idaho Overnight Leisure travel’s economic impact with the highest Idaho trip spending of any Lifestage.
 - High income travelers age 55 and older also have a strong economic impact on travel to Idaho, with just 20% of the travelers, they account for 25% of Idaho travel dollars.
- The Idaho traveler base is higher in *Tradesmen, Laborers* and *Agricultural* occupations but lower in *Managerial/Professional* workers.



Positioning

- Idaho's unique identity appears to be outdoor recreation.
 - Relative to the Comp Set, Idaho visitors in particular emphasize *Boating and Sailing, Camping, Hiking and Biking* and *Other Adventure* activities.
 - Idaho's *Skiing* and *Hunting and Fishing* parties represent high value spending that is more than double the average Idaho travel party.
- Challenges Idaho faces may be resolved by differentiation from key competitors and by increasing awareness and selection preference among outdoor enthusiasts.
 - An Image Study that compares Idaho visitors to those of competing states may identify product and communication gaps related to different outdoor activities.
- *Visiting Friends and Relatives* is the top purpose of Overnight Leisure travel to Idaho. *Getaway Weekend* and *Special Event* travel tie as Idaho's second most common travel purpose.
- Idaho visitors are 30% less likely to stay in hotels or motels than travelers nationwide, selecting more *Other Paid* (B&Bs, timeshares and campgrounds) and *Non-Paid* accommodations.
 - Idaho's relative weakness in attracting guests to paid lodging indicates need for an assessment of facilities and amenities needs that may attract higher spending family and older travelers.



Communicating

- Over one third of Overnight Leisure visitors to Idaho come from within the State itself.
 - Top origin DMAs for non-resident visitors to Idaho are Spokane, Salt Lake City, Seattle/Tacoma and Portland accounting for 43% of Idaho visitors.
 - California DMAs of Los Angeles, San Francisco and Sacramento contribute 16% of Idaho Overnight Leisure spending from just 10% of visitors.
 - In addition, San Diego, Reno, NV, Chicago and Las Vegas are high value origin markets for key Family and Gen X market segments.
- Idaho receives only 7% of visitors by *Air*, well below the National average.
 - Idaho Auto driving distances are much longer than average. *Air* distances are shorter, reflecting the fact that many Idaho visitors originate from within a distance of 750 miles.
- The data suggests that Idaho may optimize its marketing efforts through:
 - Focus on niche media magazines and PR (earned) efforts focused on higher income outdoor enthusiasts and families.
 - Focus on high-value travelers originating in key DMAs more than 500 miles distant.
 - These travelers tend to stay longer, travel in larger parties and have higher spending



Family (35-54, Children in Household) Travel:

- Among family travelers, Idaho made great improvements in Satisfaction from 2000-2002 to 2003-2005 with a slight decline in Value.
 - Idaho is now rated higher in Value but below the U.S. and the Comp Set in Satisfaction.
- Over half of Family travel dollars come from outside of Idaho. Top origin DMA is Salt Lake City, UT.
- Distant origin markets including Chicago, San Jose and Las Vegas contribute a high proportion of dollars relative to the number of travelers from those markets.
 - Families visiting Idaho are three times as likely to *Camp* as those traveling elsewhere in the U.S.
 - Families are also twice as likely to *Hike or Bike*, go *Boating or Sailing* or go *Snow Skiing* in Idaho.
 - *Hunting and Fishing* is also high on the list for Idaho family travelers.

Generation X Travel:

- Idaho Satisfaction and Value are both up from 2000-2002 to 2003-2005 among Gen X travelers.
 - Both U.S. and Comp Set Satisfaction and Value ratings fell among Gen Xers. Idaho meets the U.S. on Satisfaction and surpasses on Value and leads the Comp Set in both areas.
- Three Idaho DMA's account for 35% of Gen X visitors and 26% of Gen X spending. Beyond Idaho, Gen X travelers originate chiefly in Salt Lake City, Spokane and Portland.
- Generation X origin markets in Portland, Los Angeles and Reno contribute 27% of Gen X spending in Idaho while accounting for only 20% of visitors.
 - Gen X travelers visiting Idaho are two and a half times as likely to *Hike or Bike* or to *Camp* and twice as likely to go *Boating or Sailing* than those traveling elsewhere in the U.S.
 - Gen Xers also visit Idaho to *Look at Real Estate* and to *Hunt and Fish*.



Market Assessment

How many visitors does Idaho attract?
What is Idaho's share of U.S. and regional travel?



Targeting

Who are Idaho's most important visitors?



Positioning

How should Idaho position its product?



Communicating

Where should Idaho advertise and promote?



What is the size and scope of tourism nationally, regionally and locally?
How is Idaho doing compared to the competitors in capturing market share?
What are the trends?



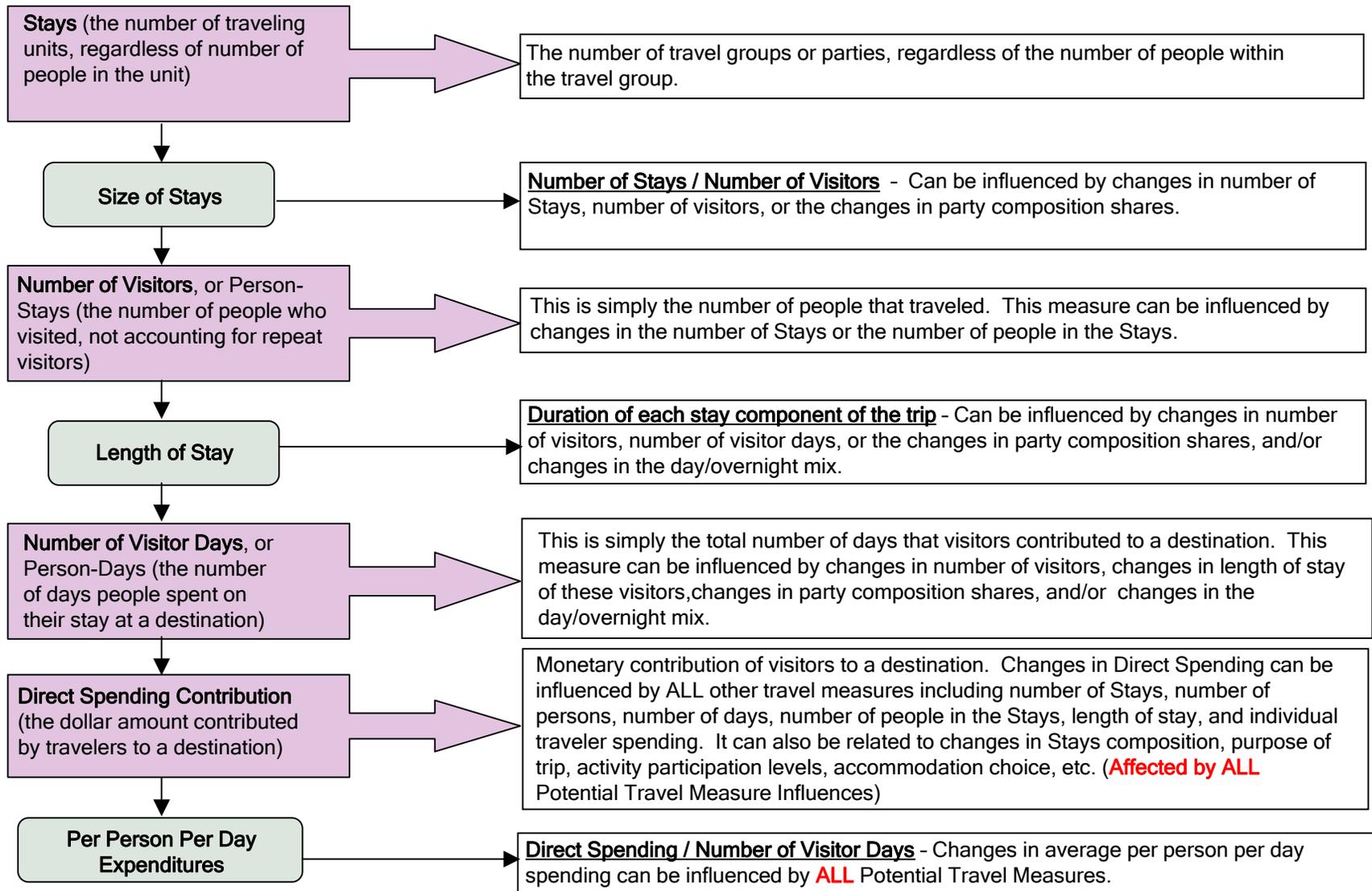
- Travel Trends**
- Volume Overview**
 - U.S. Volume**
 - Stays
 - Person-Stays
 - Person-Days
 - Direct Spending



- The Market Assessment section of this report will provide an overview of the U.S. travel market by reviewing population and travel volume trends. Travel volume is measured with four performance indicators (described in detail on the next page) to help destinations understand past market movements and prepare for possible changes in the future.
- The Market Assessment section goes into further detail of the market trends in Idaho. This information will help Idaho understand the size of the U.S. travel market and the opportunities to increase the size of their market, whether it be in terms of visitor volume, visitor days, Stays or total Direct Spending.
- Travel volume is estimated from D.K. Shifflet & Associates' *PERFORMANCE/Monitor*SM monthly travel tracking system and uses other available travel data as model inputs, such as hotel data and government transportation statistics.
- The section ends with a review of traveler satisfaction and value ratings of Idaho. The ratings are compared to the competition using the U.S. as a benchmark and will give destinations competitive intelligence on consumer perceptions of travel satisfaction and value.

U.S. Detailed Volume Findings







Unweighted: the raw data that contains no links to the population or DKS&A modeling; it is simply respondent data as returned to us on the surveys.

Respondent Weight: links to the population and not to any modeling of the data. This weight re-balances the data by the demographic characteristics of age, gender, income, education, number of adults, and state of residence.

Stays Weight: the most basic travel weight. It is the broadest unit used for measuring a travel experience. To arrive at the Stays weight, the respondent weight is adjusted based on variables in order to ensure that there are a certain number of trips that fit standards. These adjustments are based on length of stay, length of trip, mode of transportation, purpose of trip, and special adjustments for particular mailing months and destinations.

Mr. & Mrs. Smith's 5-day vacation in Anytown, USA = 1 Stays.

Person-Stays Weight: The total number of people on a stay, regardless of the length of their stay. This measure equates to the number of visitors.

Mr. & Mrs. Smith's 5-day vacation in Anytown, USA = 2 Person-Stays or 2 visitors.

Person-Days Weight: The total number of people on a stay multiplied by the number of days they are on the stay.

Mr. & Mrs. Smith's 5-day vacation in Anytown, USA = 10 Person-Days. (2 Person-Stays x 5 days)

Room Nights Weight: The number of nights spent in a room, regardless of the number of people staying in the room.

*Mr. & Mrs. Smith's 5-day vacation in Anytown, USA = 5 Room Nights.
 (given they stayed in a paid accommodation (most applicable))*

Trip-Dollars Weight: Use of this weight takes into account the amount of money spent by travelers. In other words, it accounts for the dollars contributed to a destination's economy by travelers. Using the trip-dollars weight shows the monetary worth/contribution of travelers as opposed to the contribution of number of trips or number of days spent in the destination.

If Mr. & Mrs. Smith spent \$100 per person per day on their 5 day vacation in Anytown, USA, their trip expenditures would be \$1,000 (10 Person-Days x \$100 per person per day).

U.S. Volume Changes Explained



		2004	2005	% Change
Stays (millions)	Total	1346.2	1383.9	2.8%
	Business	463.3	475.0	2.5%
	Leisure	882.9	908.9	2.9%
Average Party Size (persons)	Total	2.16	2.18	1.3%
	Business	1.57	1.63	4.2%
	Leisure	2.47	2.47	0.3%
Visitors (Person-Stays) (millions)	Total	2903.0	3022.8	4.1%
	Business	725.6	774.9	6.8%
	Leisure	2177.4	2247.9	3.2%
Average Stay Length (Travel Parties/0+ Days)	Total	2.22	2.18	-1.5%
	Business	2.07	1.99	-3.9%
	Leisure	2.26	2.25	-0.6%
Visitor Days (Persons Days) (millions)	Total	6430.6	6596.4	2.6%
	Business	1499.7	1538.7	2.6%
	Leisure	4930.9	5057.7	2.6%
Day/ Overnight Mix (% Day Trips)	Total	50%	51%	1.0%
	Business	54%	56%	2.6%
	Leisure	49%	49%	0.2%
Average Party Spending (\$)	Total	504.4	506.0	0.3%
	Business	428.0	429.4	0.3%
	Leisure	544.5	545.9	0.3%
Total Direct Spending (\$ billions)	Total	679.0	700.2	3.1%
	Business	198.3	204.0	2.9%
	Leisure	480.7	496.2	3.2%
Spending per Person per Day (\$)	Total	105.6	106.1	0.5%
	Business	132.2	132.6	0.3%
	Leisure	97.5	98.1	0.6%

Total U.S. Stays increased 2.8% from 2004 to 2005. This increase was led by the Leisure segment, which grew 2.9% and makes up the highest share of Stays. The Business segment also continued a two year growth trend, increasing 2.5% in 2005.

The growth in Stays volume, coupled with an increase in Average Party Size produced an even larger growth in Travelers (Person-Stays) in 2005 of 4.1%.

Conversely, a decrease in stay length measured in Nights, due in part to a small increase in the proportion of Day trips, produced a smaller increase in Visitor Days of 2.6%.

Even though total Spending per Person per Day is flat, the 1.3% average Party Size increase neutralizes the 1.5% total average Stay Length decrease, resulting in a flat total average Party Spending performance (up 0.3%).

This, coupled with the 4.1% increase in Person-Stays, contributes to a moderate 3.1% increase in Total Direct Spending.

Please refer to the adjacent chart for changes in Total Business and Leisure travel segments.

2005 U.S. Travel Volume Summary Introduction

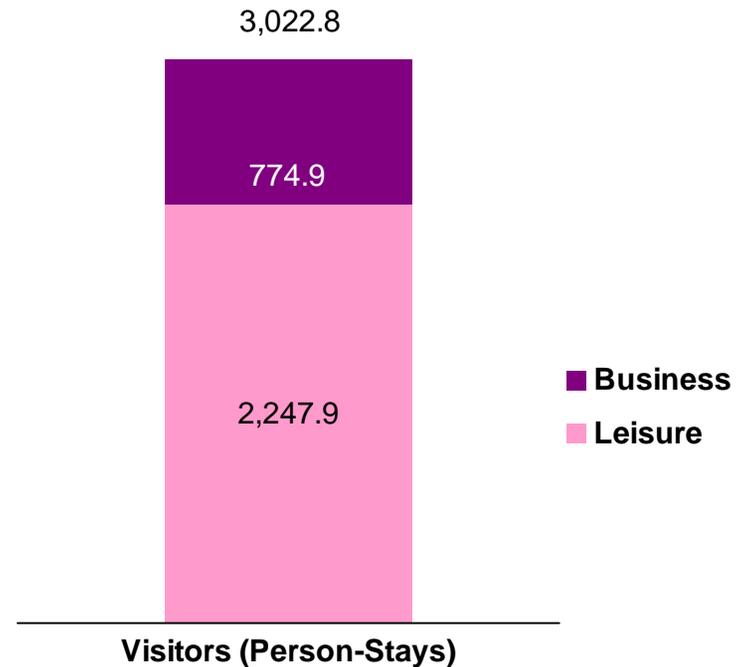
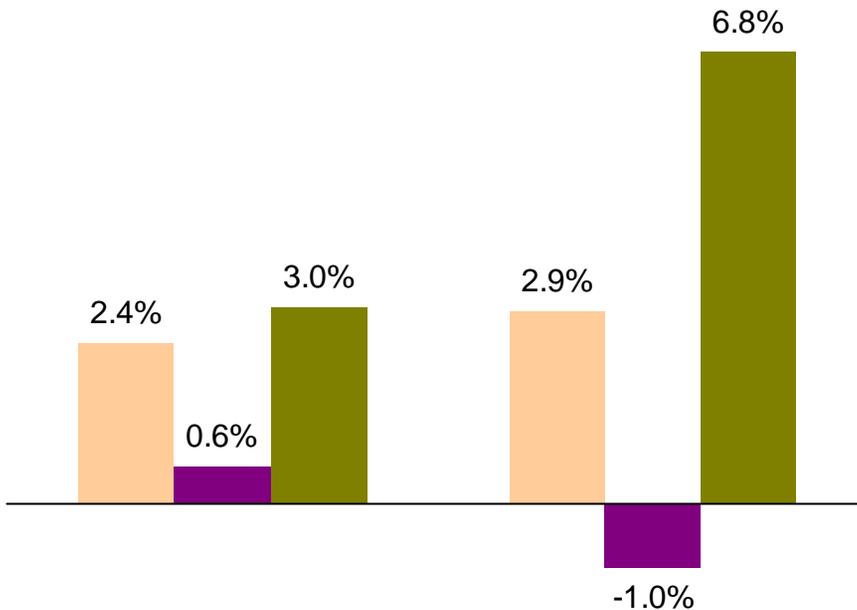


U.S. travelers generated 3.02 billion Person-Stays in 2005, the eighth consecutive record year.

The 4.1% increase was led by both the Day segment (5.8%) and the Overnight segment (2.4%).

Across Business and Leisure, Day Business (up 11.9%) and Overnight Leisure (up 3.0%) drove the increases.

■ Total Night
 ■ Night Business
 ■ Night Leisure



Growth of Overnight Leisure Stays (3.0%) was greater than Overnight Business Stays (0.6%).

Among hotel room nights, growth of Overnight Leisure was even greater at 6.8%. This growth helped offset a decline in hotel Overnight Business (down 1.0%).

The following section will describe the U.S. volume trend in detail.

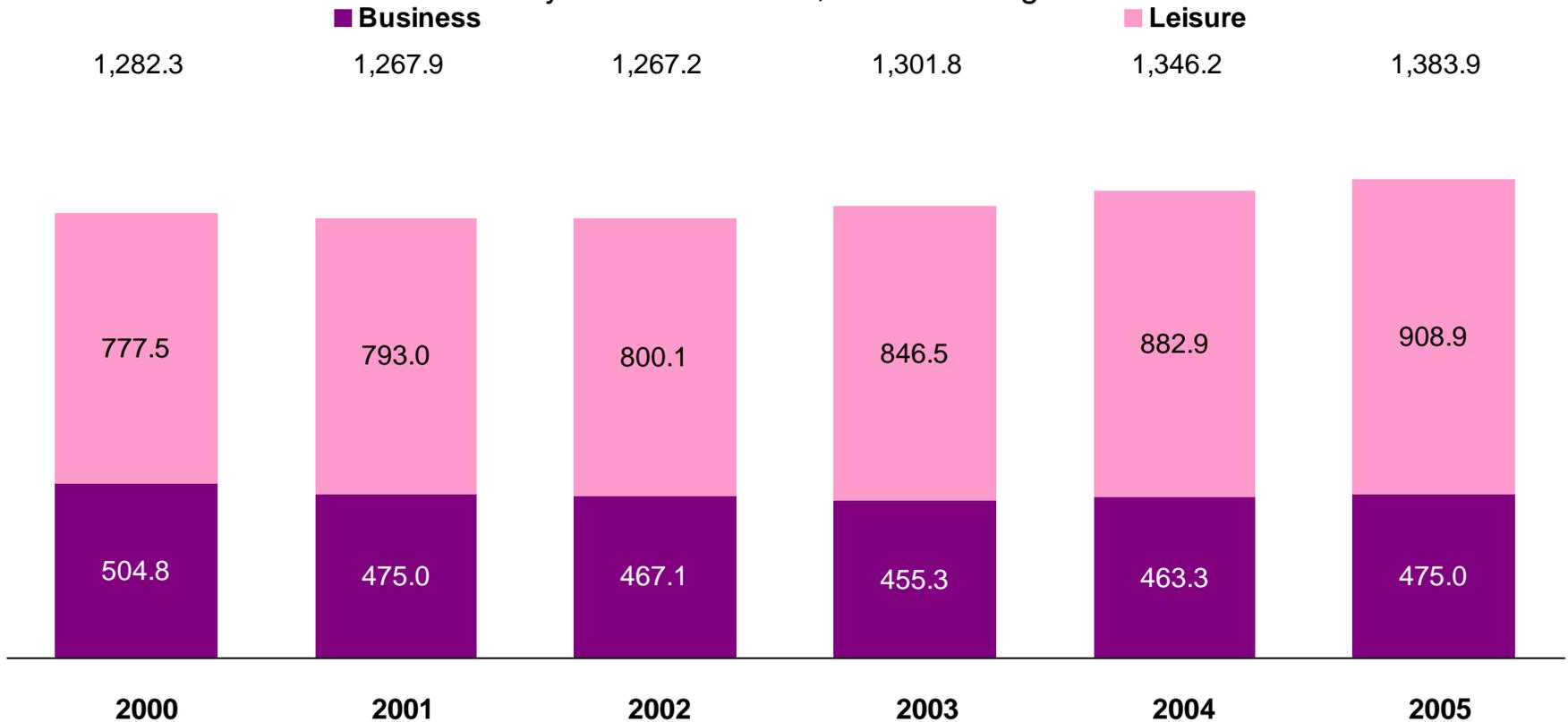
U.S. Stays Volume: Business vs. Leisure (2000-2005/Millions)



U.S. residents visiting U.S. destinations generated a record 1.38 billion Stays in 2005, a 2.8% increase over 2004. Both Leisure and Business Stays contributed to this growth, up 2.9% and 2.5%, respectively.

Although Leisure has grown faster since 2000, its share of Stays increasing to 66% in 2005, year over year 2005 growth does not match 2003 and 2004 gains.

Business has recovered modestly since a 2003 low, now matching the level reached in 2001.

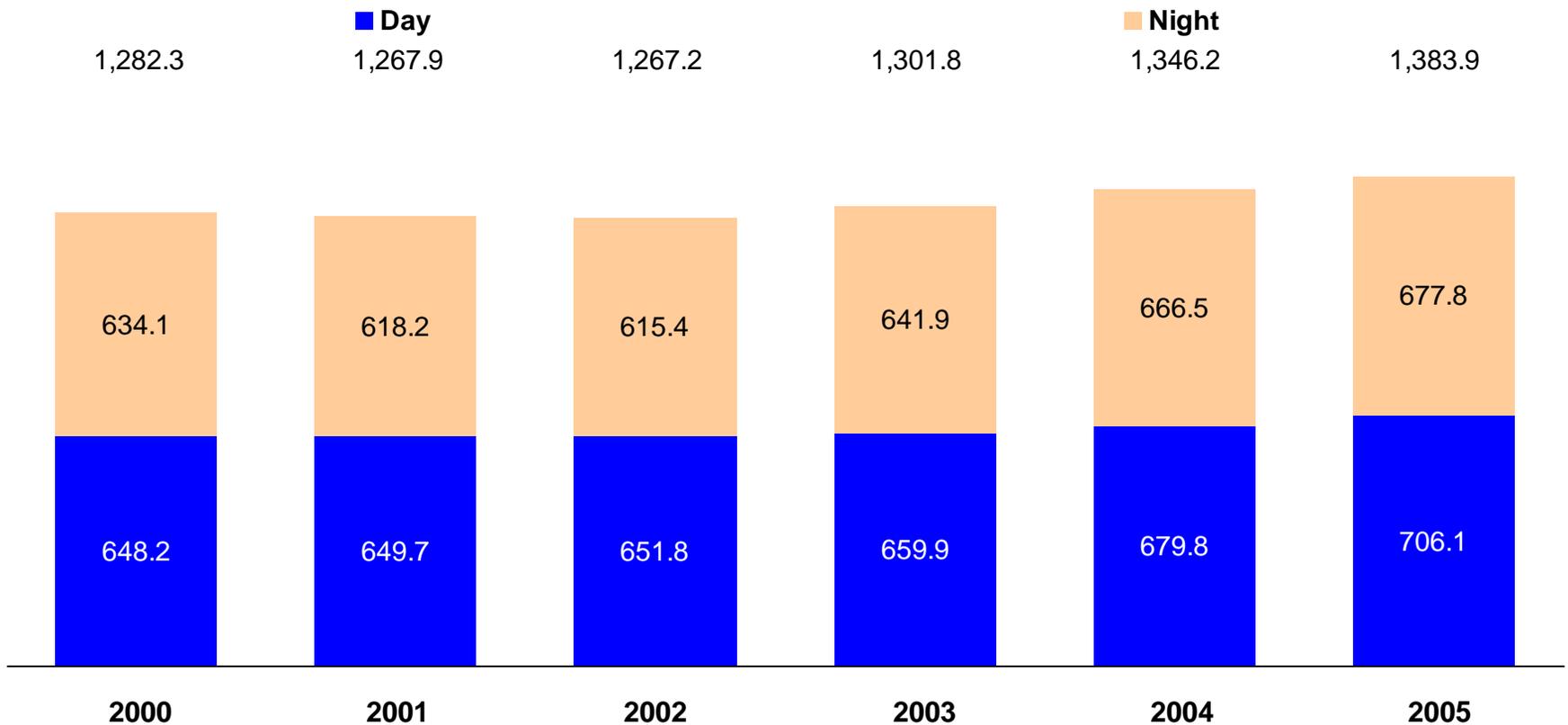


U.S. Stays Volume: Day vs. Overnight (2000-2005/Millions)



U.S. residents produced record numbers of both Day and Overnight Stays. Stays on day trips grew 3.9% to 706.1 million in 2005 and those on Overnight Stays grew 1.7% to 677.8 million.

Since 2000, Day Stays experienced a greater increase (8.9%) than Overnight Stays (6.9%). Day Stays have grown steadily since 2000 and had one of the largest increases in 2005. Night Stays grew from 2003 to 2005, but at a decreasing rate.

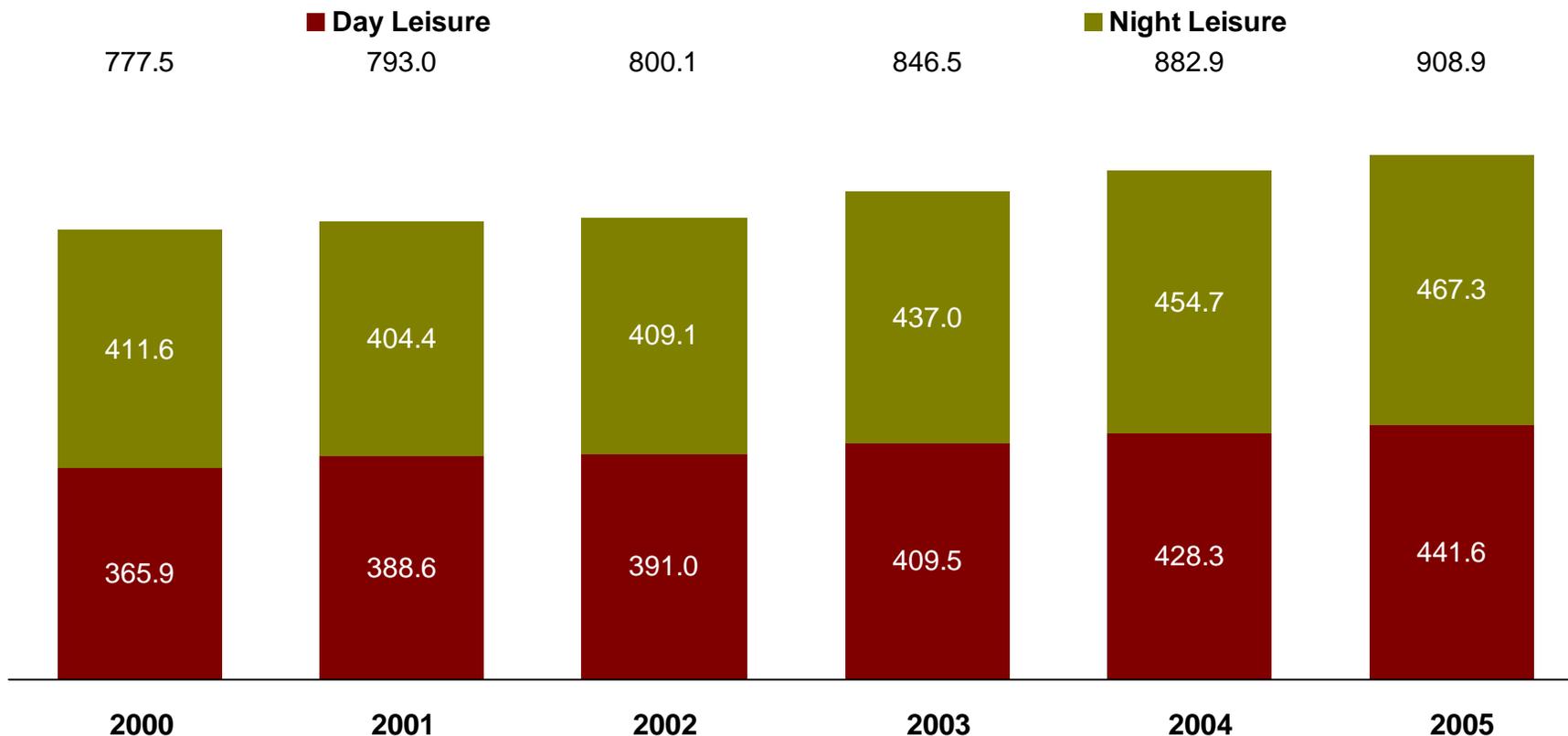


U.S. Stays Volume: Day Leisure vs. Overnight Leisure (2000-2005/Millions)



U.S. residents reached new records in the number of both Day Leisure and Overnight Leisure Stays taken. Day Leisure Stays grew 3.1% to 442 million in 2005; Overnight Leisure Stays grew 2.8% to 467 million.

Since 2000, growth in Day Leisure has outpaced that of Overnight Leisure (21% vs. 14%). Day Leisure now makes up a larger share of Leisure Stays (49%), than in 2001 (47%).



U.S. Stays Volume: % Change by Travel Segment (2001-2005)



This table shows the year-to-year percent changes in Stays volume for each of the primary travel segments. Overnight Leisure stays increased 2.8% from 2004 levels.

	02/01	03/02	04/03	05/04
Total	-0.1%	2.7%	3.4%	2.8%
Business	-1.6%	-2.5%	1.7%	2.5%
Leisure	0.9%	5.8%	4.3%	2.9%
Day	0.3%	1.2%	3.0%	3.9%
Night	-0.5%	4.3%	3.8%	1.7%
Day Business	-0.1%	-4.0%	0.4%	5.2%
Day Leisure	0.6%	4.7%	4.6%	3.1%
Night Business	-3.5%	-0.7%	3.4%	-0.6%
Night Leisure	1.2%	6.8%	4.0%	2.8%



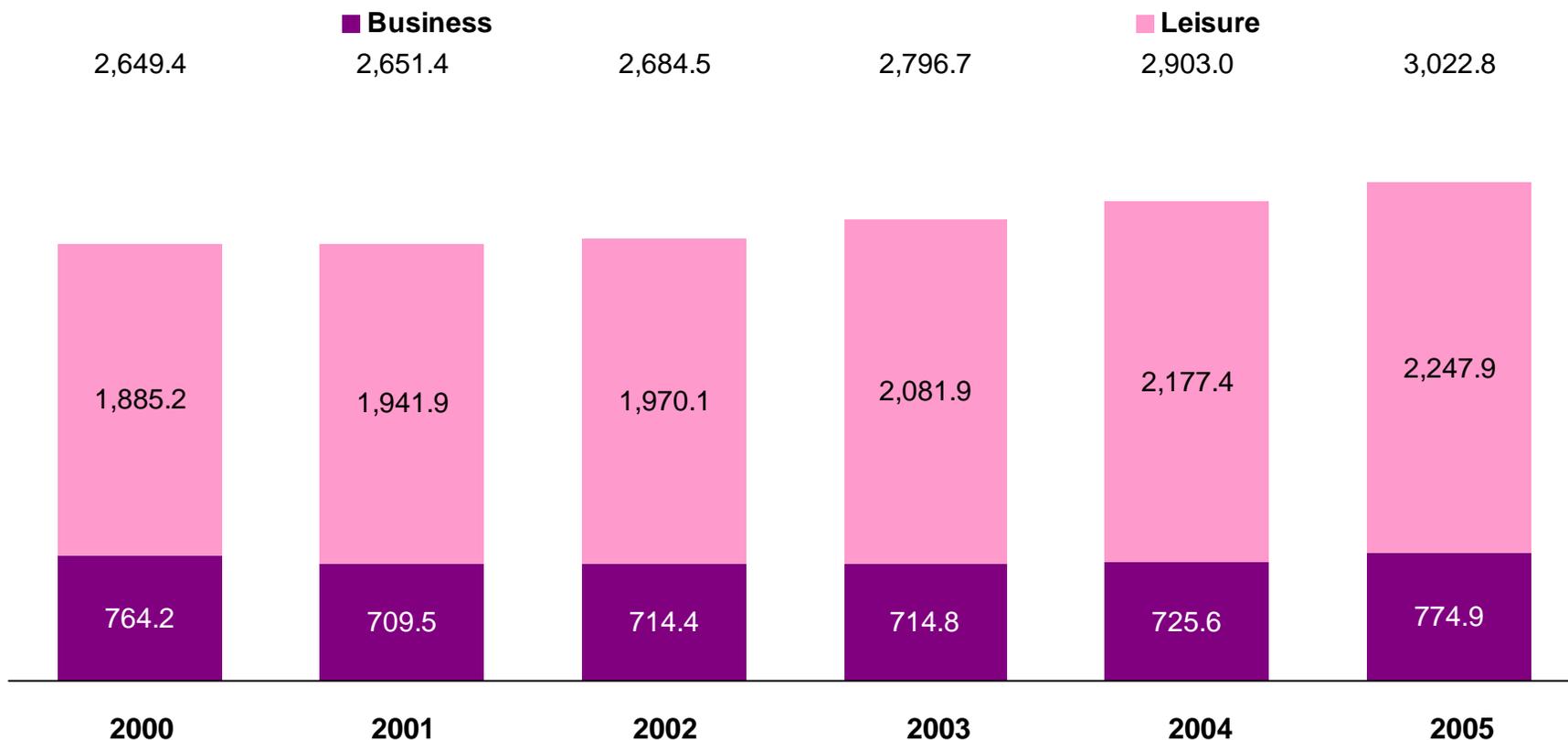
- *U.S. Stays Volume* grew 2.8% in 2005, continuing the positive trend begun three years ago.
- *The Travel Story in 2005* is about the continued growth in the Leisure travel party segment. Leisure demand makes up 66% of all 2005 Stays.
 - All Leisure segment measures were up between 2.8% and 3.1% in 2005. This growth continues the long-term trend of the increasing importance of the Leisure segment.
- *Day Travel* was also a driver behind 2005's growth in U.S. Stays volume, experiencing the largest increase (3.9%) among all segments.
 - Day travel's importance in U.S. Stays volume is increasing as its share has now reached 51% of total Stays.
- The *Day* and *Leisure* segments are the only segments to experience consistent increases within the past five years.
- *Day Business* travel has been on the rebound in the past two years and had the greatest increase in 2005 (5.2%).
 - Due to Day Business' small share in U.S. Stays volume, growth in this segment does not make a big impact on total volume.
 - Overnight Business demand slipped slightly in 2005 but Overnight Leisure demand remained strong, reaching an all-time high of 467.3 million Stays.

U.S. Person-Stays Volume: Business vs. Leisure (2000-2005/Millions)



U.S. residents traveling in the U.S. produced a record 3.02 billion travelers in 2005 (up 4.1%). The Business segment led growth in Person-Stays volume with a 6.8% increase.

Recovery from September 11, 2001 is evident in the Business segment. Though it makes up a small share of the total (26%), Business travelers increased at the highest rate in 13 years, surpassing the peak reached in 2000.



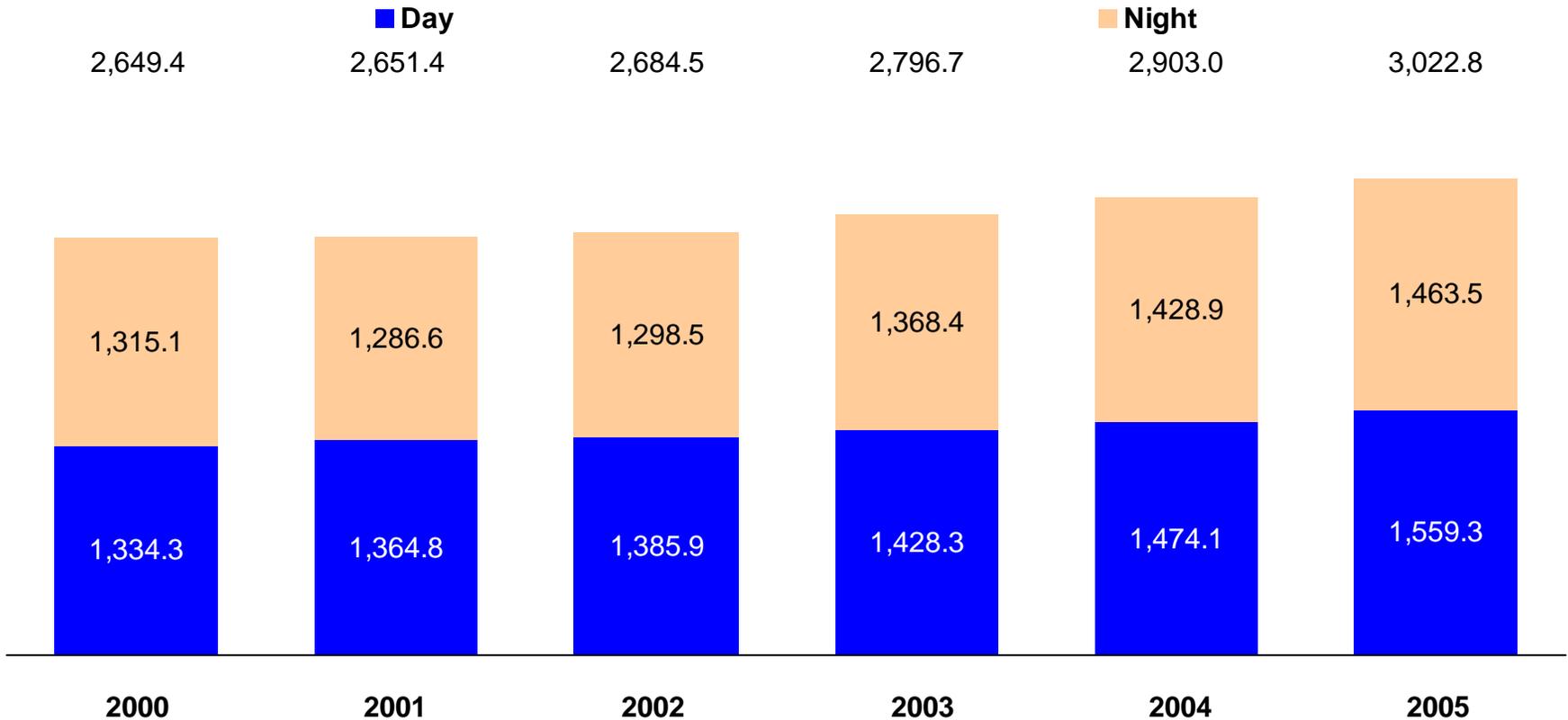
U.S. Person-Stays Volume: Day vs. Overnight (2000-2005/Millions)



U.S. resident travel created record numbers of both Day and Overnight Person-Stays in 2005.

- Day trip demand grew 5.8% to 1.56 billion in 2005.
- Overnight demand grew 2.4% to 1.46 billion.
- Day and Overnight have both grown substantially since 2000 (Day: +17%; Overnight: +11%).

Since 2000, Day stays have increased from a 50% to 52% share of total U.S. traveler volume.

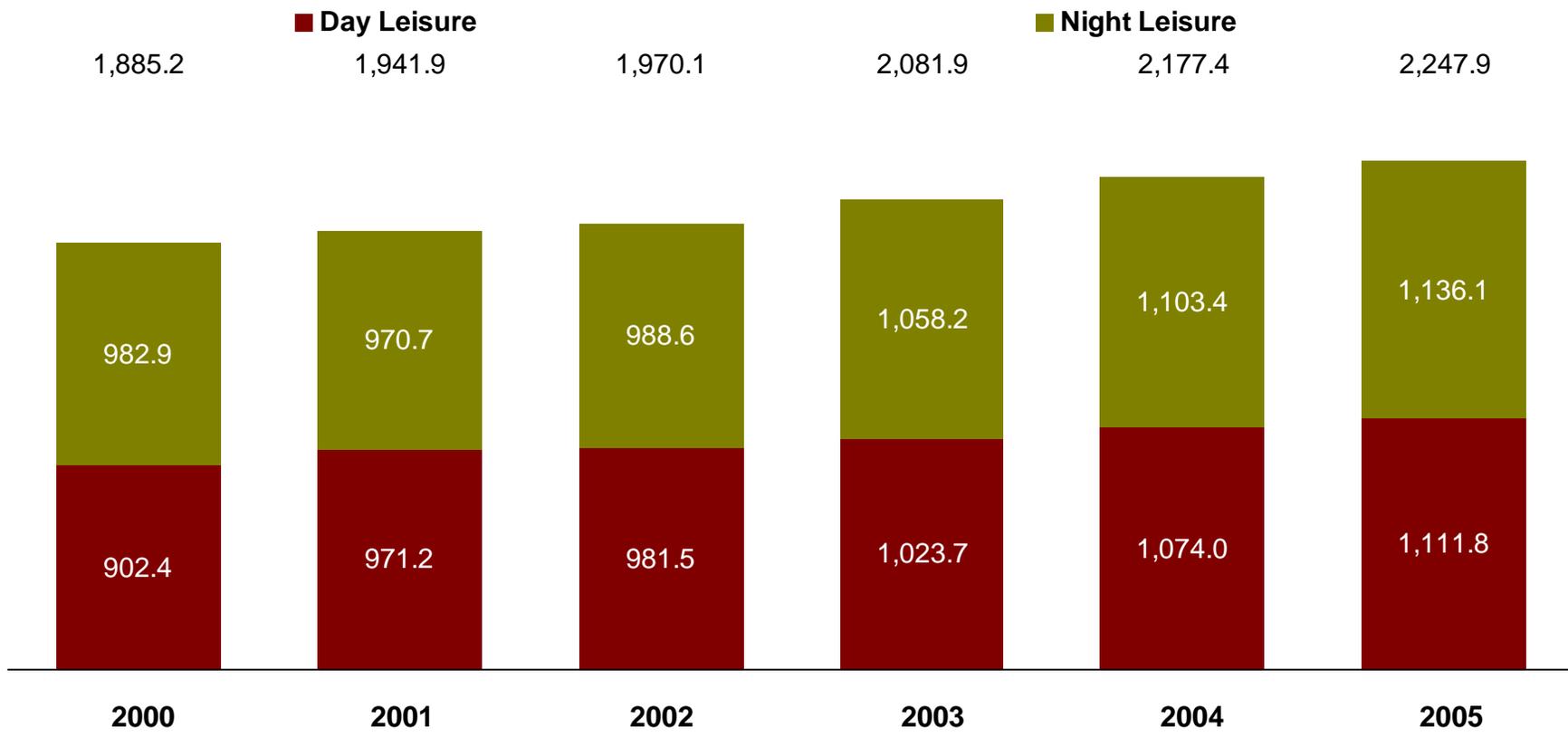


U.S. Person-Stays Volume: Day Leisure vs. Overnight Leisure (2000-2005/Millions)



U.S. residents produced new records in the number of both Day Leisure and Overnight Leisure travelers in 2005. Leisure day trip demand grew 3.5% to 1.11 billion in 2005. Overnight Leisure demand grew 3.0% to 1.14 billion.

Over the past five years, growth in the Day Leisure segment outpaced that of Overnight Leisure (23% vs. 10%). Yet Overnight Leisure continues to contribute just over half of all U.S. Person-Stays.



U.S. Person-Stays Volume: % Change by Travel Segment (2001-2005)



This table shows the year-to-year percent changes in Person-Stays volume for each of the primary travel segments. Overnight Leisure Person-Stays are up 3.0% for 2005 from 2004.

	02/01	03/02	04/03	05/04
Total	1.2%	4.2%	3.8%	4.1%
Business	0.7%	0.1%	1.5%	6.8%
Leisure	1.5%	5.7%	4.6%	3.2%
Day	1.5%	3.1%	3.2%	5.8%
Night	0.9%	5.4%	4.4%	2.4%
Day Business	2.8%	0.0%	-1.1%	11.9%
Day Leisure	1.1%	4.3%	4.9%	3.5%
Night Business	-1.9%	0.1%	4.9%	0.6%
Night Leisure	1.8%	7.0%	4.3%	3.0%

U.S. Person-Stays Volume Intelligence



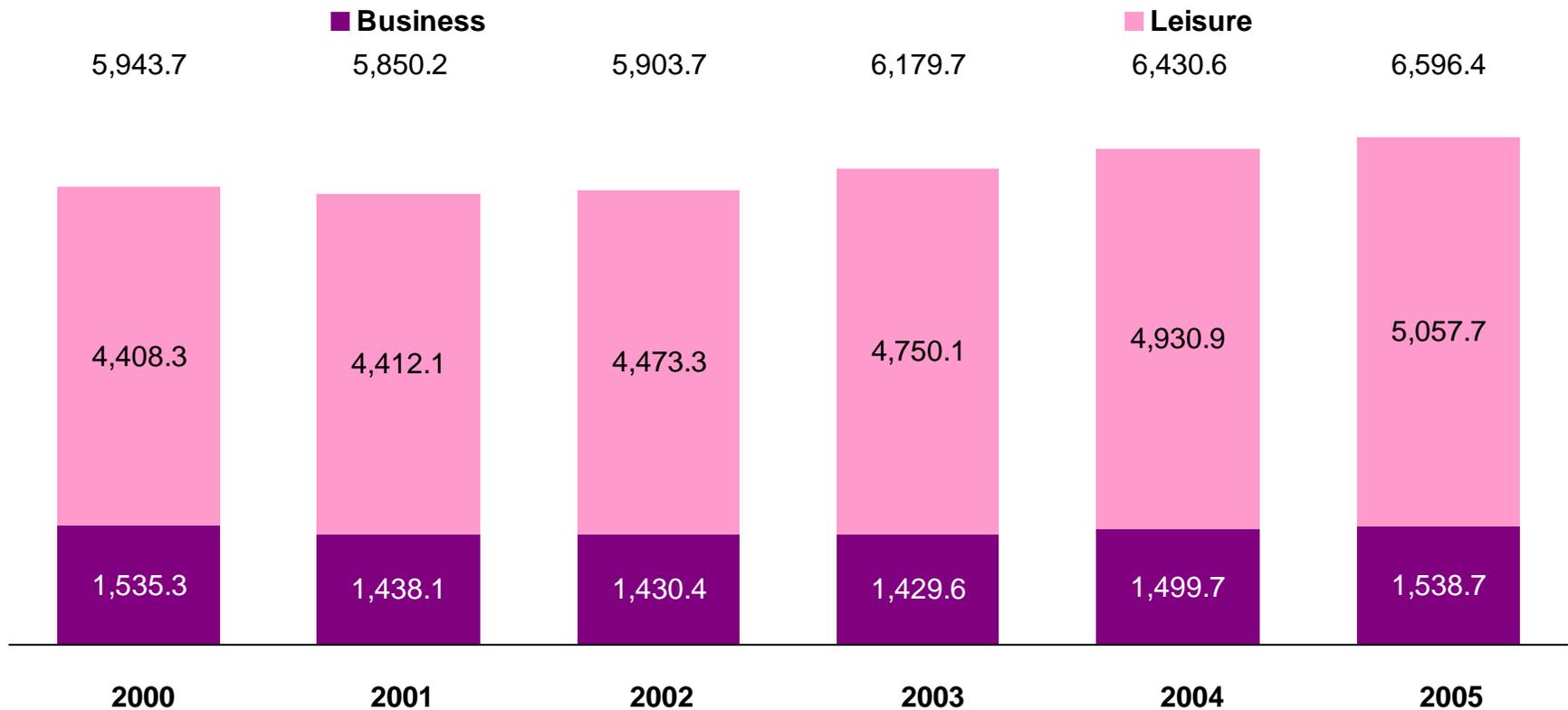
- Total Person-Stay volume reached a record level for the eighth consecutive year. In fact, only the consecutive declines from 1995-1997 have interrupted the growth in Person-Stay volume since 1992.
- Trends for Person-Stay volume are very similar to those for Stays. By definition, Person-Stay volume trends may differ from Stays volume based on changes in Average Party Size.
- Total party size increased 1.3% in 2005 mainly because of the Business segment's 4.2% increase in party size. Leisure party size increased 0.3% in 2005. This increase explains the larger numbers in Person-Stay volume compared to Stays volume.
- Total Traveler volume increased 4.1% in 2005, slightly higher than the comparable increase in Stays, due to the increase in Average Party Size. This trend held true for all Leisure segments--total Leisure, Overnight Leisure, Day Leisure--and for the Overnight Business segment. In fact, the small increase in Average Party Size served as a catalyst for Day Business Person-Stays to produce a 11.9% segment growth in 2005, followed by a 6.8% increase in Total Business Person-Stays and a 5.8% growth in Total Day Person-Stays.
- The big headliners in terms of growth over 2004 were Business and Days Person-Stays, even if their shares may be smaller, their growth rate surpassed those of their Leisure and Overnight counterparts.

U.S. Person-Days Volume: Business vs. Leisure (2000-2005/Millions)



U.S. travelers to U.S. destinations yielded a record 6.6 billion Person-Days in 2005, up 2.6%. Business and Leisure segments grew equally, increasing at the rate of 2.6%, slowing from the 2004 growth rates of 3.8% for Leisure and 4.9% for Business.

Although Business equals Leisure's 2005 increases, Leisure has driven five years of growth, up 14.7% since 2000. Leisure now accounts for 77% of Person-Day volume, up from 74% in 2000.

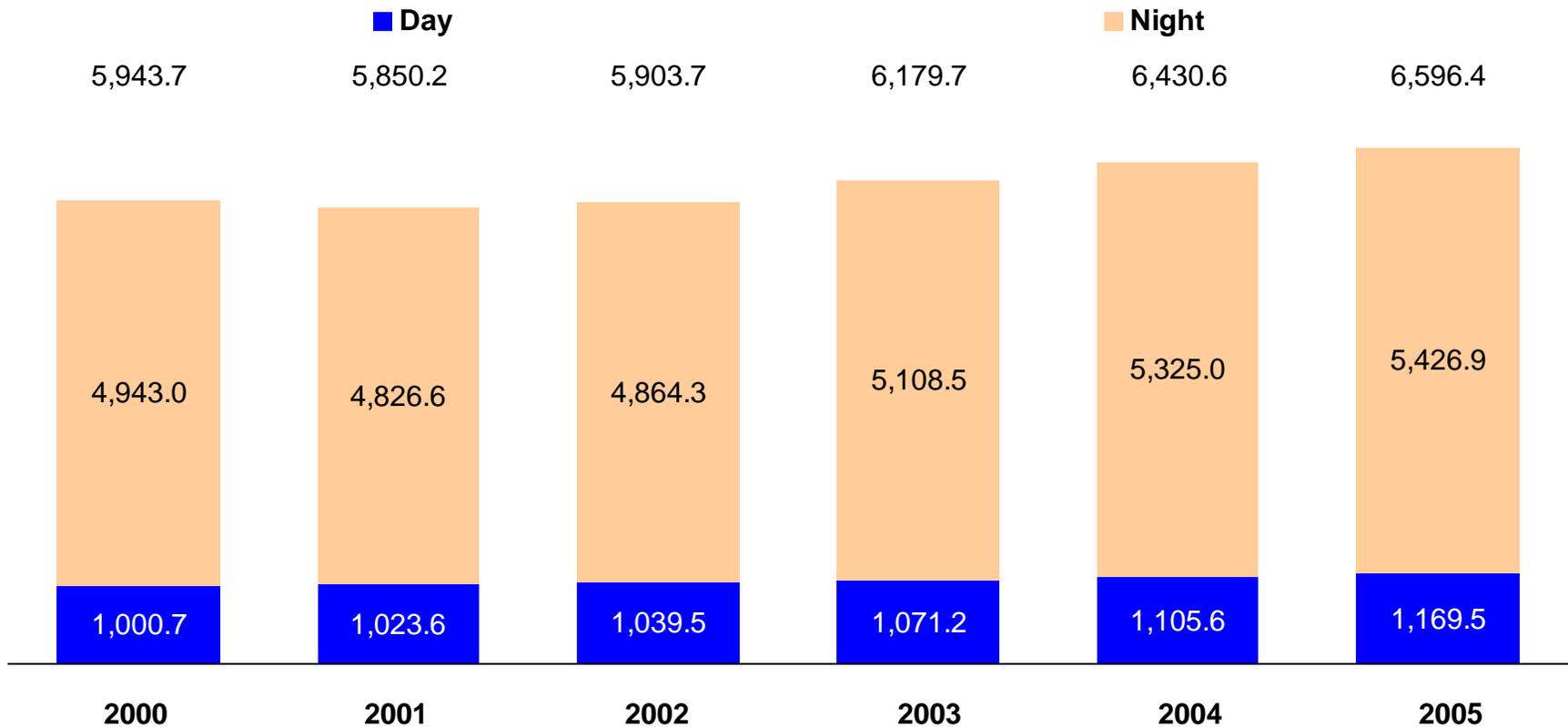


U.S. Person-Days Volume: Day vs. Overnight (2000-2005/Millions)



Demand for day trips grew 5.8% to 1.17 billion in 2005 while demand for Overnight trips grew 1.9% to 5.43 billion, both record highs.

Over the past five years Overnight Person-Day demand grew 10% while Day Person-Days increased 17%. Accordingly, Day share of total Person-Days volume went from 17% in 2000 to 18% in 2005.

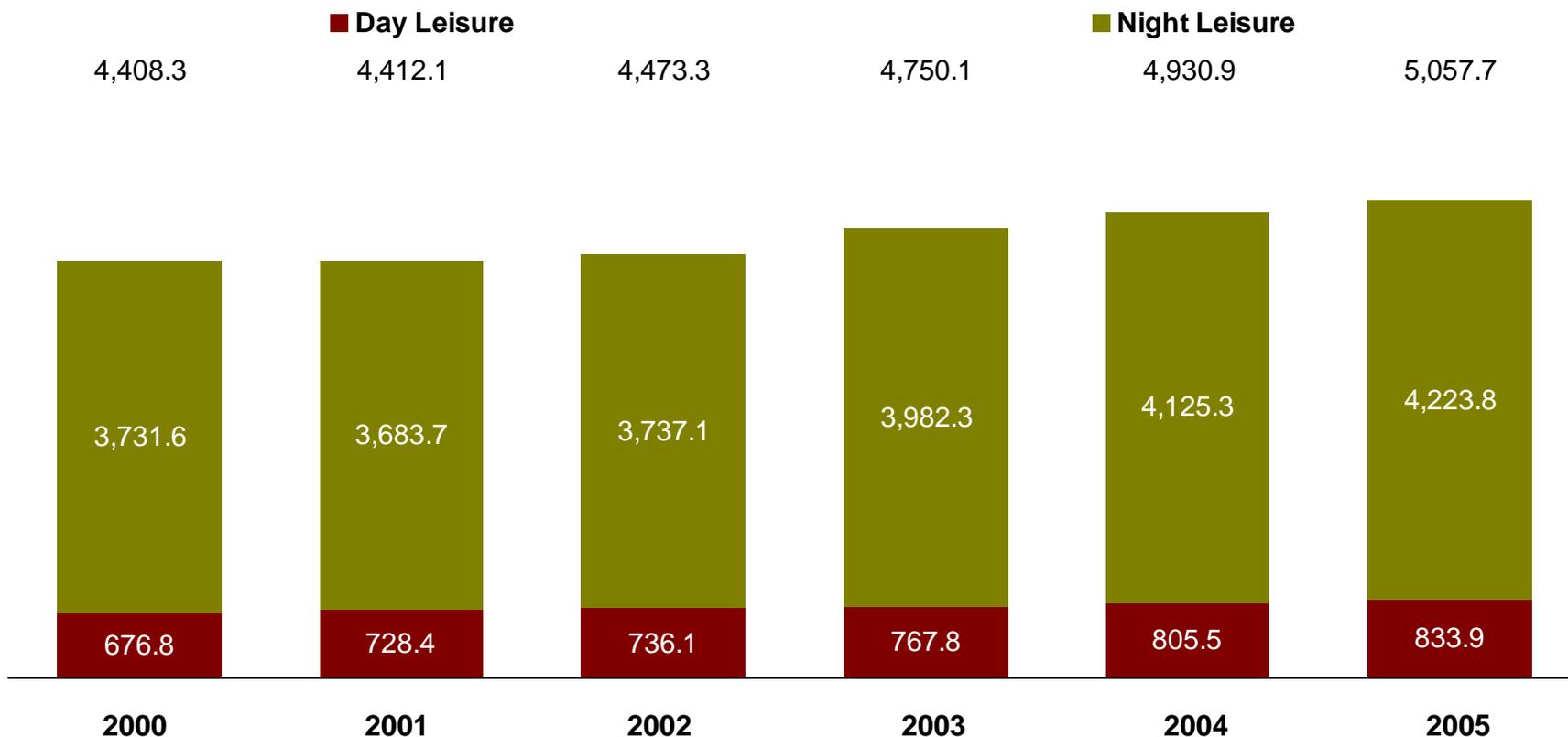


U.S. Person-Days Volume: Day Leisure vs. Overnight Leisure (2000-2005/Millions)



U.S. residents number of both Day and Overnight Leisure Person-Days peaked in 2005. Demand for Day Leisure, in Person-Days, grew 3.5% to 834 million in 2005.

Overnight share of all Leisure Person-Days was 84% in 2005, unchanged from 2004. Demand has softened in 2005 growing slower than in 2004 or 2003.



U.S. Person-Days Volume: % Change by Travel Segment (2001-2005)



This table shows the year-to-year percent changes in Person-Days volume for each of the primary travel segments.

- Overnight Leisure Person-Days grew 2.4% for 2005, slowing from 2003 and 2004 growth rates.

	02/01	03/02	04/03	05/04
Total	0.9%	4.7%	4.1%	2.6%
Business	-0.5%	-0.1%	4.9%	2.6%
Leisure	1.4%	6.2%	3.8%	2.6%
Day	1.5%	3.1%	3.2%	5.8%
Night	0.8%	5.0%	4.2%	1.9%
Day Business	2.8%	0.0%	-1.1%	11.9%
Day Leisure	1.1%	4.3%	4.9%	3.5%
Night Business	-1.4%	-0.1%	6.5%	0.3%
Night Leisure	1.5%	6.6%	3.6%	2.4%



- Person-Days volume reflects the addition of two components to Person-Stays: stay length and a “Day factor”
- Person-Days increased 2.6% in 2005 to a record 6.6 billion due to
 - 1) the increase in Travel Party, and
 - 2) an increase in Average Party size
- Person-Days grew at a less robust pace than the previous year because of a
 - 1) decrease in average length of stay, and
 - 2) increase in share of Day travel
- Compared to Person-Days growth in 2004, this year’s growth was not as significant because average stay length decreased 3.9% for Business and 0.6% for Leisure. For this reason, Person-Stays growth supercedes that of Person-Days in 2005.
- Within Person-Days, the U.S. Travel Industry is still growing, but the number of Nights on a trip is not growing as fast as the number of people on a Stay or the number of Stays per trip.

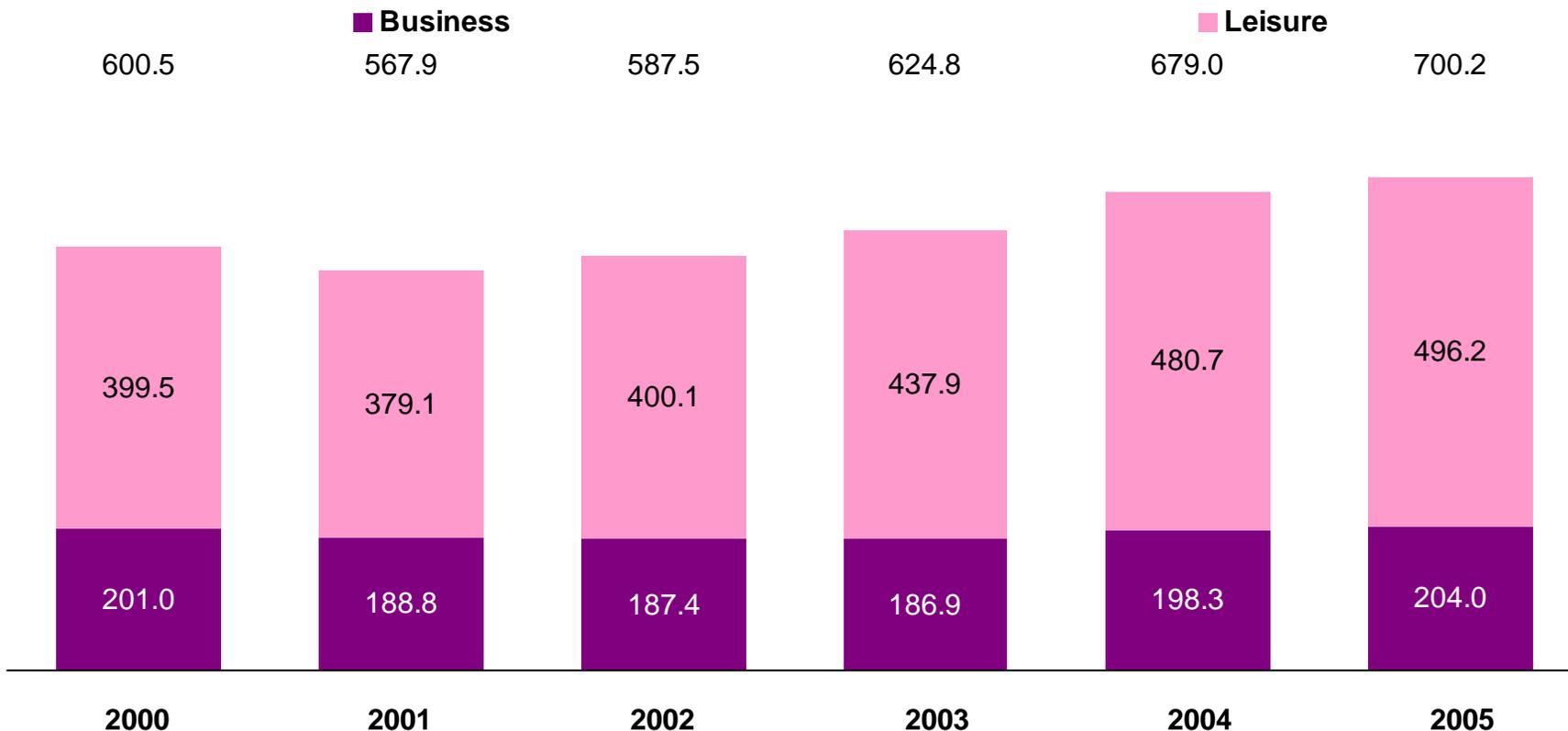
U.S. Direct Spending: Business vs. Leisure (2000-2005/\$billions)



U.S. residents traveling domestically spent a record breaking \$700 billion, up 3.1% from 2004. Both Business and Leisure segments contributed to the growth. Spending growth softened in 2005 as the Travel Price Index (TPI) rose (5.3%*), faster than the rate of spending growth.

Leisure Direct Spending has increased each year since 2001, whereas Business in 2004 finally began to show signs of a rebound from September 11, 2001.

* Source: Travel Industry Association of America (TIA) and U.S. Department of Labor

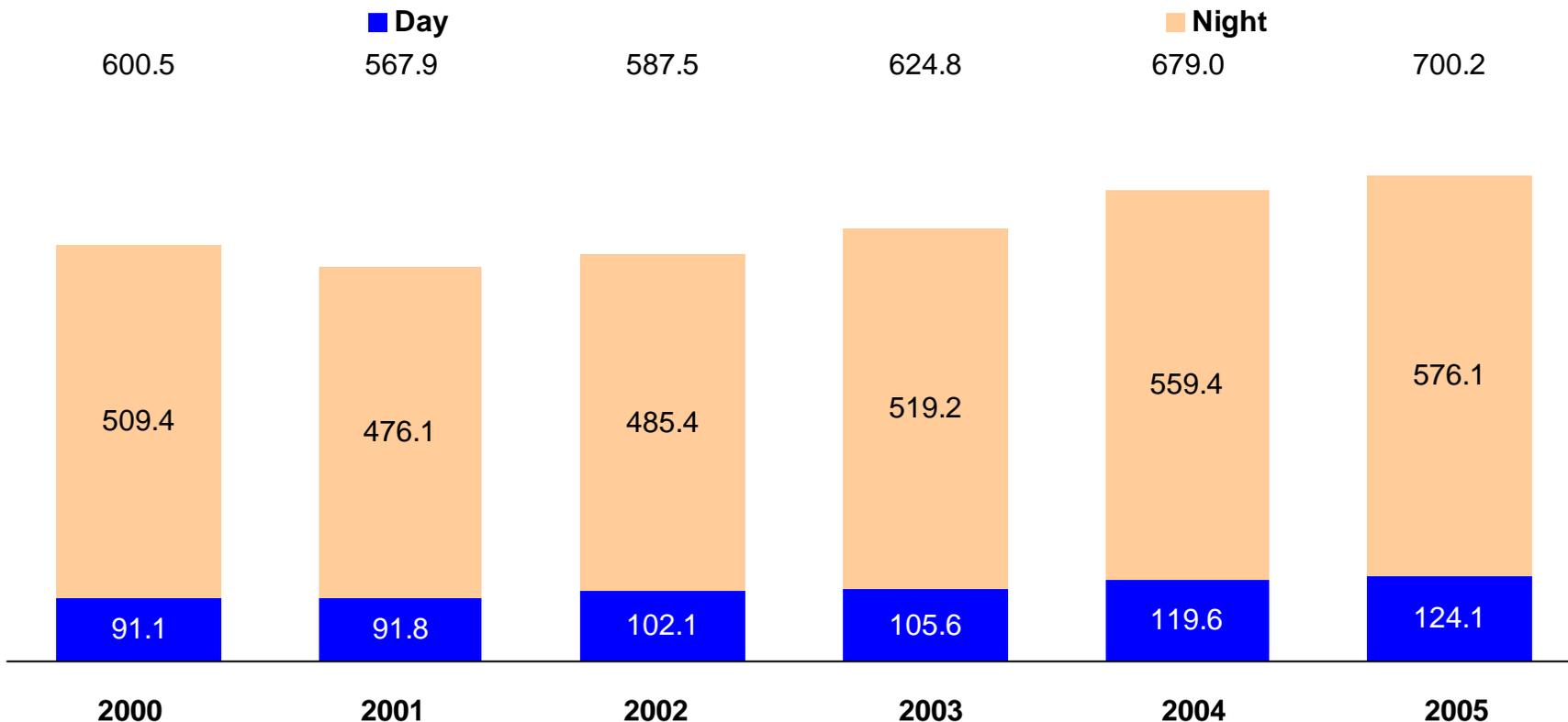


U.S. Direct Spending: Day vs. Overnight (2000-2005/\$billions)



U.S. travel yielded record spending on both Day and Overnight Trips in 2005. Traveler spending on Day trips jumped 3.7% to \$124 billion in 2005, outshining Traveler spending on Overnight trips which grew by 3% to \$576 billion.

Day spending growth has been particularly strong since 2000 (up 36%) as compared to Overnight (up 13%). As a result of sustained growth in Day trip spending, Overnight share of all Direct Spending fell to 82% in 2005, down from 85% in 2000.

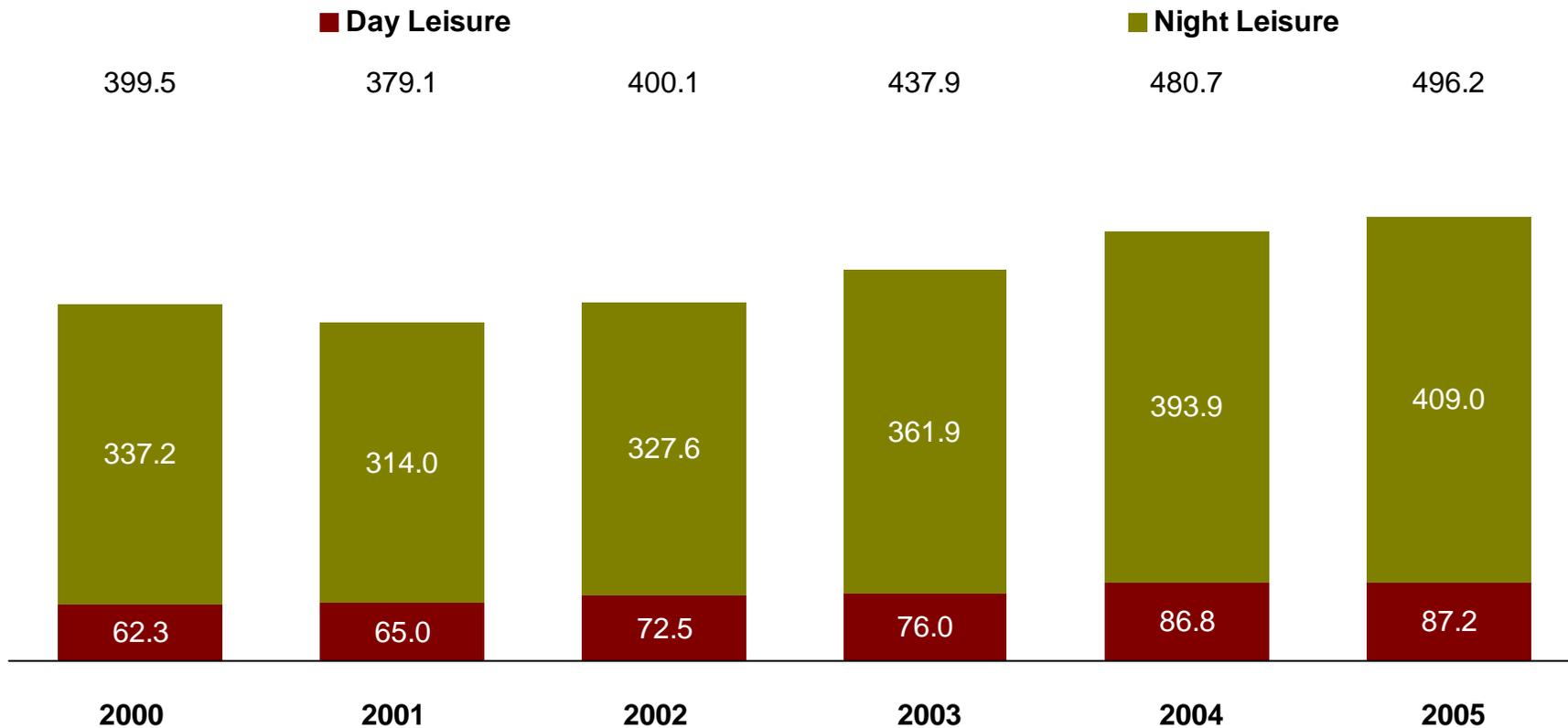


U.S. Direct Spending: Day Leisure vs. Overnight Leisure (2000-2005/\$billions)



Leisure Day spending grew 0.4% to \$87 billion in 2005 and Overnight Leisure spending grew 3.8% to \$409 billion. Since 2000, the smaller Day Leisure segment has led Overnight Leisure in spending growth (40% vs. 21%).

When inflation is taken into consideration, net spending since 2000 has actually fallen 1.6% for Day trips and declined 2.3% for Overnight trips.



U.S. Traveler Direct Spending: % Change by Travel Segment (2001-2005)



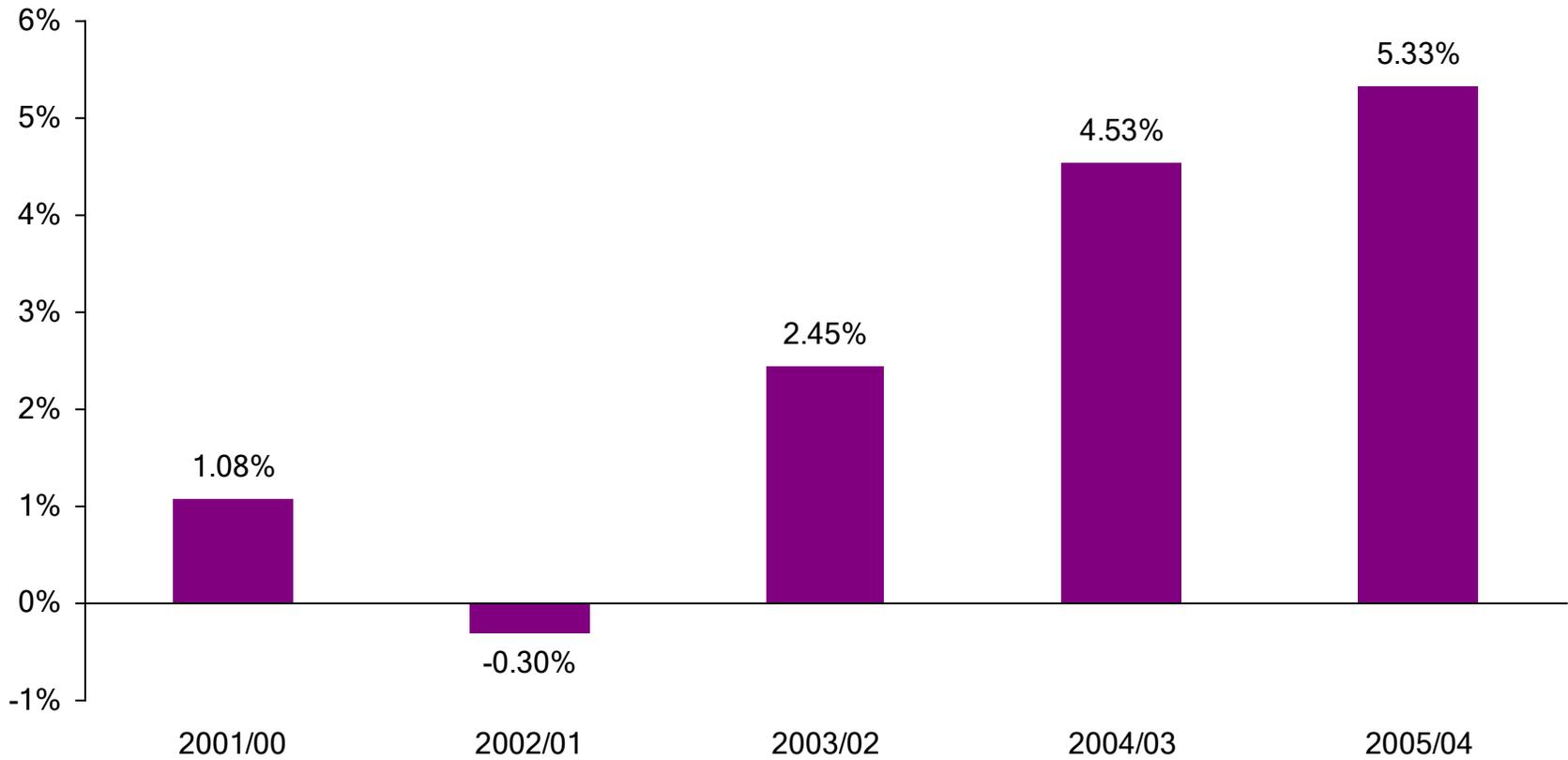
This table shows the year-to-year percent changes in traveler Direct Spending for each of the primary travel segments. Year over year, Overnight Leisure spending is up 3.8% nationwide.

	02/01	03/02	04/03	05/04
Total	3.4%	6.4%	8.7%	3.1%
Business	-0.8%	-0.2%	6.1%	2.9%
Leisure	5.5%	9.5%	9.8%	3.2%
Day	11.2%	3.4%	13.3%	3.7%
Night	1.9%	7.0%	7.7%	3.0%
Day Business	10.7%	0.1%	10.6%	12.6%
Day Leisure	11.5%	4.8%	14.3%	0.4%
Night Business	-2.7%	-0.3%	5.2%	1.0%
Night Leisure	4.3%	10.5%	8.8%	3.8%

Annual Changes in U.S. Travel Price Index: % Change (2000-2005)



* Source: Travel Industry Association of America (TIA) and U.S. Department of Labor

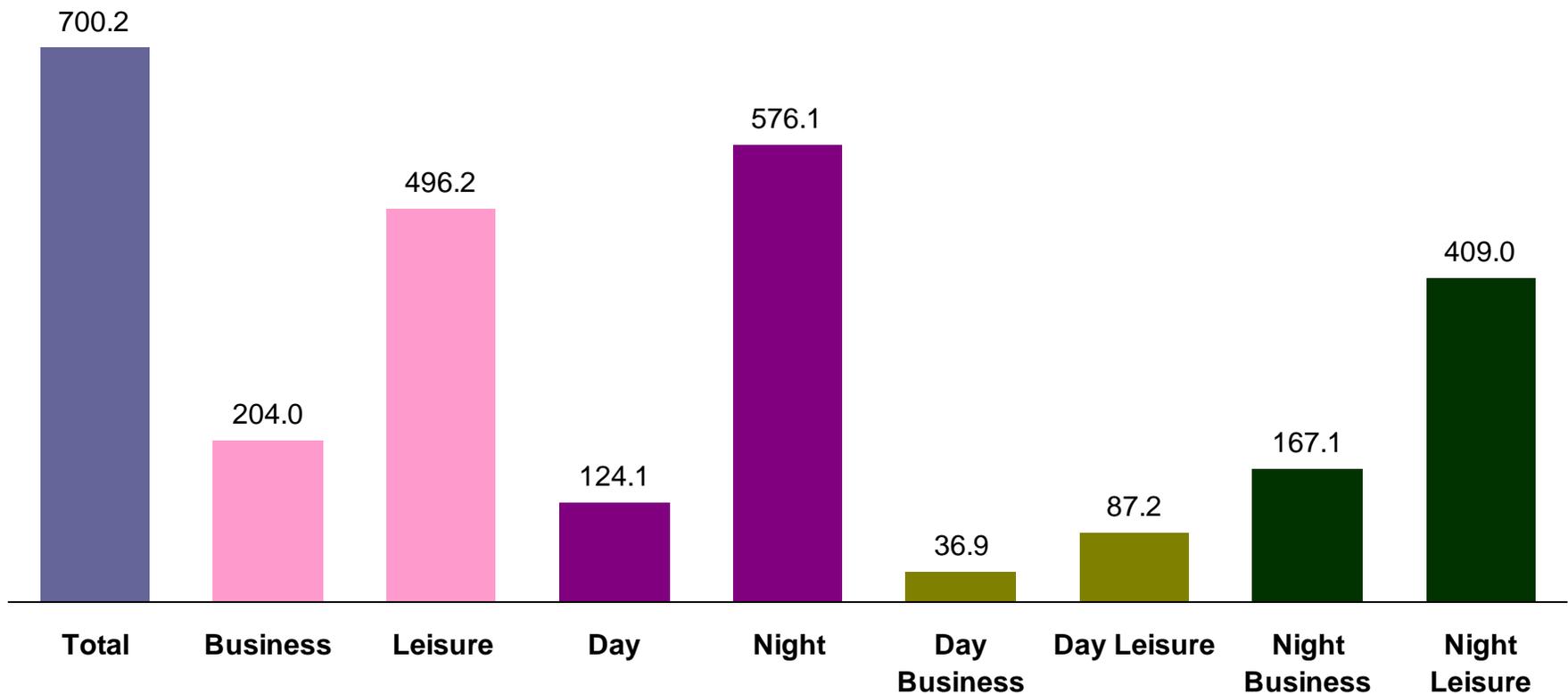




- Traveler spending grew a moderate 3.1% in 2005 to a record \$700 billion. The national travel price index increased 5.3% in 2005 resulting in a net decline of -2.2% in travel spending in 2005. While demand grew in Person-Days, spending softened in response to increased prices.
- Due to the 2.8% increase in the number of Stays coupled with a 0.3% increase in average party spending, party spending is higher due to increases in average party size; that increase was able to offset the decrease in average stay length.
- 2005 also brought higher prices for many goods and services catering to travelers such as gasoline, hotel room rates, food & beverage, and entertainment.
- Traveler spending has grown each of the past 12 years, except in 2001. Since 2000, the growth is largely attributed to the Leisure segment, which has grown steadily. Conversely, Business spending declined from 2000 to 2003. Rising for the past two years, 2005 Business spending surpassed the 2000 high of \$201 billion.
- Current increase in Direct Spending was mainly driven by Day Business which grew 12.6%, followed by a 3.8% increase in Overnight Leisure which makes up a large share (58%) of total Direct Spending. Day Leisure spending grew 3.7%.
- As with Person-Stays and Stays, growing demand in the Day and Leisure segments have led spending growth in 2005.

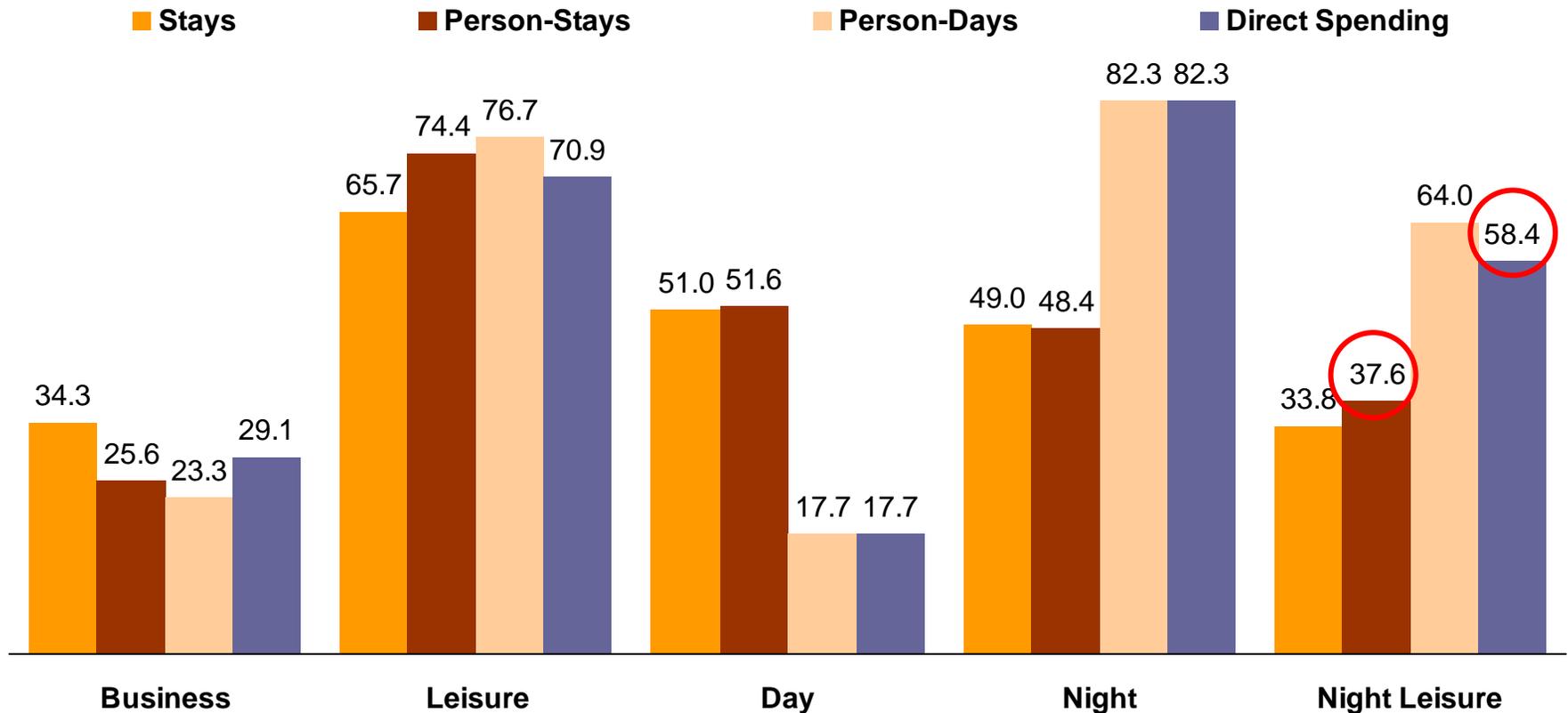


This chart summarizes U.S. traveler spending for each of the travel segments discussed in this report. Direct spending (not indirect or induced spending impacts) includes spending by travelers on transportation, accommodations, food and beverage, shopping, entertainment, and other miscellaneous purchases.





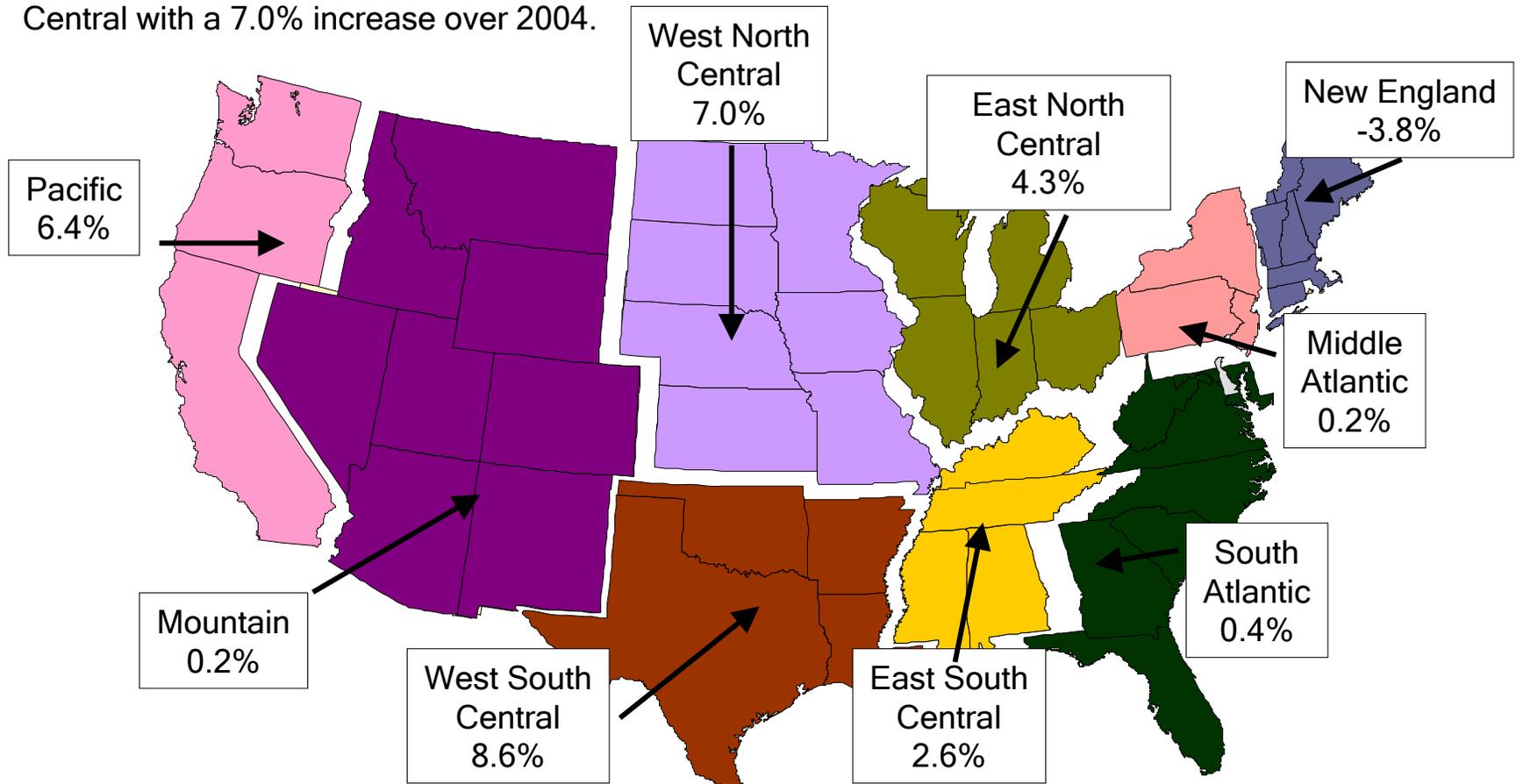
This chart shows each travel segment's proportion of each of the four volume measure totals—Stays, Person-Stays, Person-Days, and Direct Spending. Overnight leisure, the focus of this study, is 38% of U.S. travelers, but 58% of the money spent by travelers.



U.S. Travel Volume Change by Region (2005/% of Overnight Leisure Person-Stays)



The U.S. Bureau of Census groups the 50 states + D.C. into nine regions for the purpose of reporting government statistics. The map below details which regions had the highest growth rate of Overnight Leisure Person-Stays between 2004 and 2005. Compared to the U.S., which grew 3.0, the West South Central region enjoyed the greatest increase of 8.6% followed by West North Central with a 7.0% increase over 2004.





Findings for



Sawtooth Mountains, Central Idaho



Volume Overview

Idaho Volume

- Stays***
- Person-Stays***
- Person-Days***
- Direct Spending***

Shares of U.S. Travel

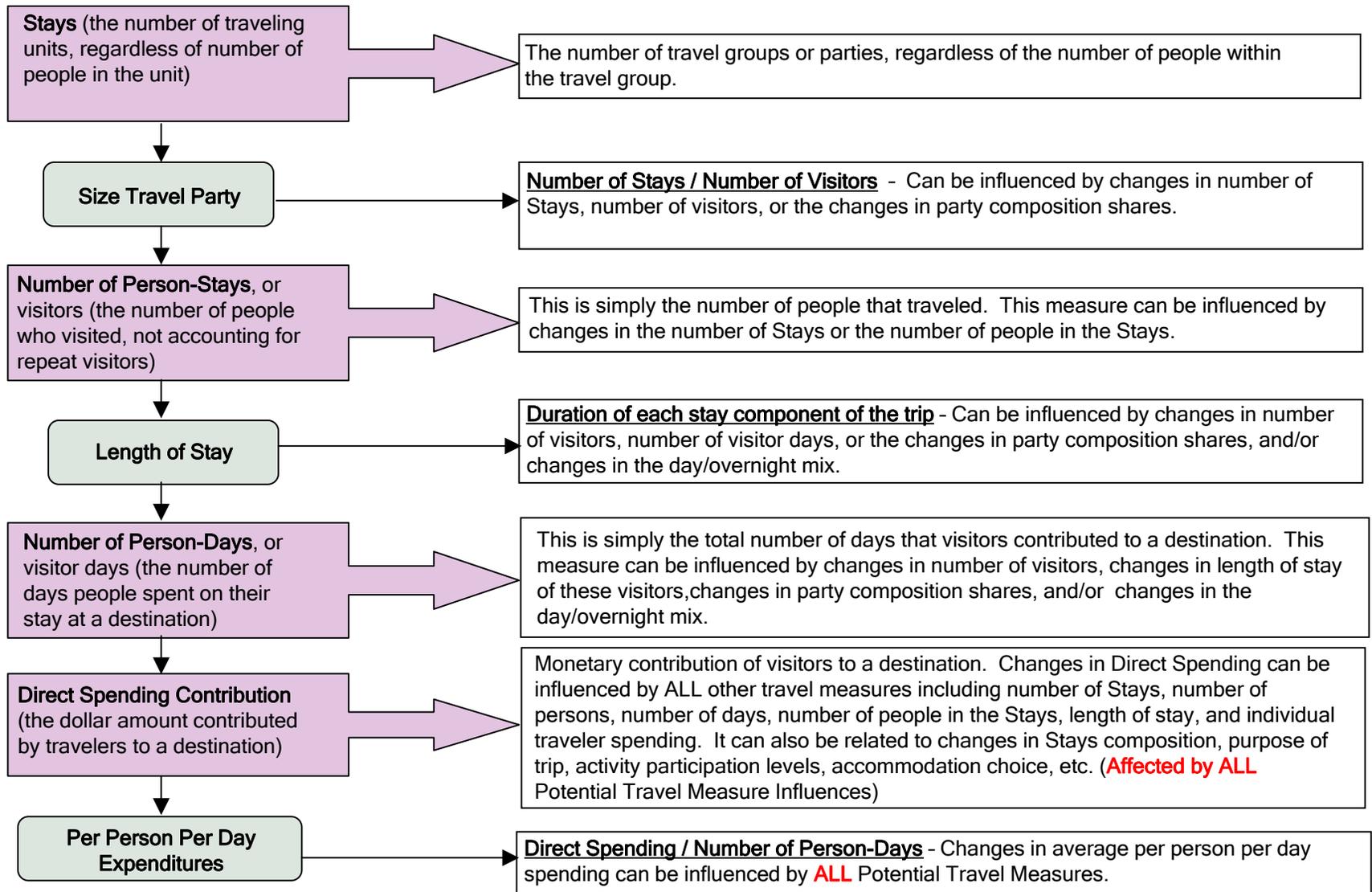
- Destination***
- Satisfaction & Value***

Key Market Assessment Summary – Understanding the Travel Measures



- It is important to understand the various ways in which to measure a destination's travel market performance.
- Visitation to a market can be measured in terms of seven key, inter-related travel measures outlined on the following page.
 - *Stays*
 - *Size of Travel Party*
 - *Person-Stays*
 - *Person-Days*
 - *Length of Stay*
 - *Direct Spending Contribution*
 - *Per Person Per Day Expenditures*
- The graphic on the next page depicts how these travel measure variables are related to each other.

When interpreting your destination travel data, remember to consider how the travel measures are interrelated to determine drivers of changes in your travel marketplace.



Idaho Volume Changes Explained



		2004	2005	% Change
Stays (millions)	Total	10.9	12.3	13.2%
	Business	4.4	5.3	19.8%
	Leisure	6.5	7.0	8.7%
	Overnight Leisure	3.5	3.6	3.9%
Average Party Size (persons)	Total	2.26	2.09	-7.6%
	Business	1.45	1.44	-0.2%
	Leisure	2.82	2.57	-8.6%
	Overnight Leisure	2.61	2.54	-2.8%
Visitors (Person-Stays) (millions)	Total	24.6	25.7	4.5%
	Business	6.4	7.6	19.5%
	Leisure	18.2	18.1	-0.7%
	Overnight Leisure	9.2	9.2	0.9%
Average Length of Stay (Travel Parties/Days)	Total	1.98	1.86	-6.2%
	Business	1.23	1.12	-12.2%
	Leisure	2.35	2.17	-2.6%
	Overnight Leisure	3.69	3.52	-4.5%
Visitor Days (Persons Days) (millions)	Total	48.8	47.8	-1.9%
	Business	8.2	8.6	4.9%
	Leisure	40.6	39.3	-3.3%
	Overnight Leisure	33.8	32.6	-3.6%

Observations for Idaho:

Idaho is gaining ground on the U.S. and the Comp Set in number of Travel Parties (**Stays**).

- Total parties are up 13.2% over 2004.
- Greatest gains are in Business and Day trips.
- Overnight Leisure trips grew 3.9% over 2004.

Idaho mirrors the Nationwide Post-9/11 trend, with **Party Size** expanding between 2001 and 2004.

- This trend reverses after 2004, for Idaho and the U.S.
- Leisure party size fell 8.6%.
- Despite inherently larger groups, Overnight Leisure party size fell 2.8%.

In Idaho, the downturn in Party Size inhibits total visitor (**Person-Stay**) growth.

- Person-Stay growth is slower than travel party growth.
- Overnight Leisure Person-Stays grew just 0.9%.

As with Party Size, **Length of Stay** fell across all Idaho travel segments.

- Business decline is evidence of conversion to day trips.
- In the Overnight Leisure market, loss of profitable 3-4 night stays affect Idaho's bottom line.

Visitor-Days fell 1.9%, a result of the combination of falling Party Size and Length of Stay.

- Growth in Business days could not offset the decline in Leisure days, which make up over 80% of all of Idaho's Person-Days.

Idaho Volume Changes Explained



		2004	2005	% Change
Day / Overnight Mix				
(% Day Stay)	Total	59%	62%	6.1%
	Business	46%	48%	5.3%
	Leisure	78%	81%	4.4%
Paid Hotel Room Nights				
(millions)	Total	3.9	4.0	3.4%
	Business	1.8	1.7	-6.0%
	Leisure	2.1	2.3	11.5%
Average Party Spending				
(\$)	Total	331	310	-6.3%
	Business	179	160	-10.3%
	Leisure	435	423	-2.7%
	Overnight Leisure	625	648	3.6%
Total Direct Spending				
(\$ billions)	Total	3.60	3.82	6.1%
	Business	0.79	0.85	7.4%
	Leisure	2.81	2.97	5.7%
	Overnight Leisure	2.20	2.36	7.6%
Spending per Person per Day				
(\$)	Total	73.7	79.8	8.2%
	Business	96.4	98.7	2.4%
	Leisure	69.2	75.7	9.3%
	Overnight Leisure	64.9	72.5	11.7%

Observations for Idaho (cont.):

Idaho **Paid Hotel Room Nights** are up 3.4%, parallel to growth reported by other sources.

- Room nights grew primarily in the Leisure segment.
- With sharp growth in total Stays, paid room night growth is muted by Idaho's shift to higher share of Day stays in the **Day/Overnight Mix**.

The increase in shorter Day stays accompanies lower **Average Party Spending**.

- Thus, per trip spending is down (-6.3%) for 2005, particularly in Business (-10.3%).
- Overnight Leisure per trip spending rose 3.6%.

Total Direct Spending by domestic travelers visiting Idaho grew 6.1% in 2005.

- Business segment growth rate outpaced Leisure.
- Overnight Leisure, which is responsible for 62% of Idaho visitor spending, grew 7.6%.

Per Person Per Day (PPD) Spending grew 8.2%.

Daily personal spending grew fastest in the Overnight Leisure segment, which led PPD spending growth with an 11.7% gain.

- Growing Transportation costs and trade-up from Economy lodging drives the Overnight Leisure PPD spending increase.

Idaho Stays Volume Trends



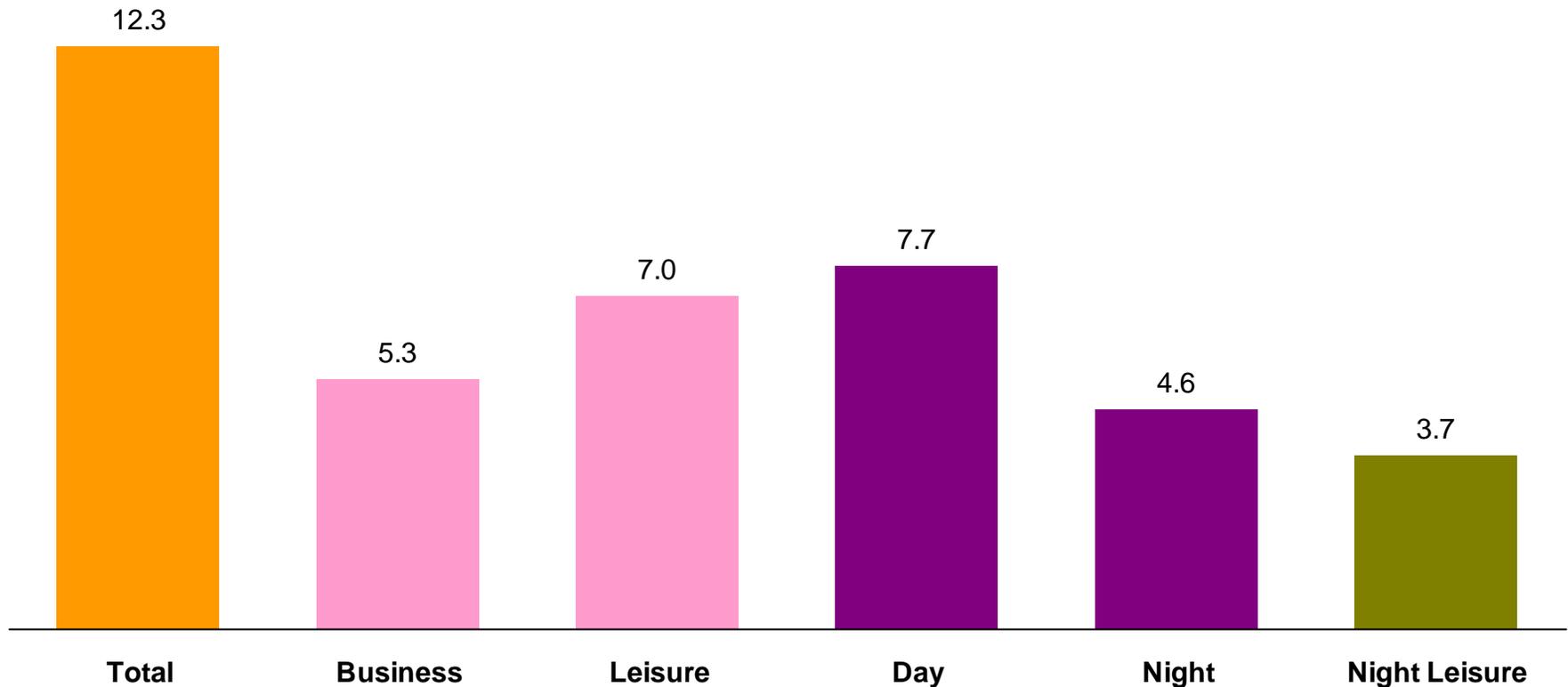
- The following section will detail the Stays volume trend in Idaho over the last six years. Stays volume measures the number of groups that visited a market.

Mr. & Mrs. Smith's 5-day vacation in Anytown, USA = 1 Stays



Overnight Leisure accounts for just 30% of all visits to Idaho.

- However, over half of Leisure stays are overnight.
- Leisure accounts for nearly 80% of all overnight stays.

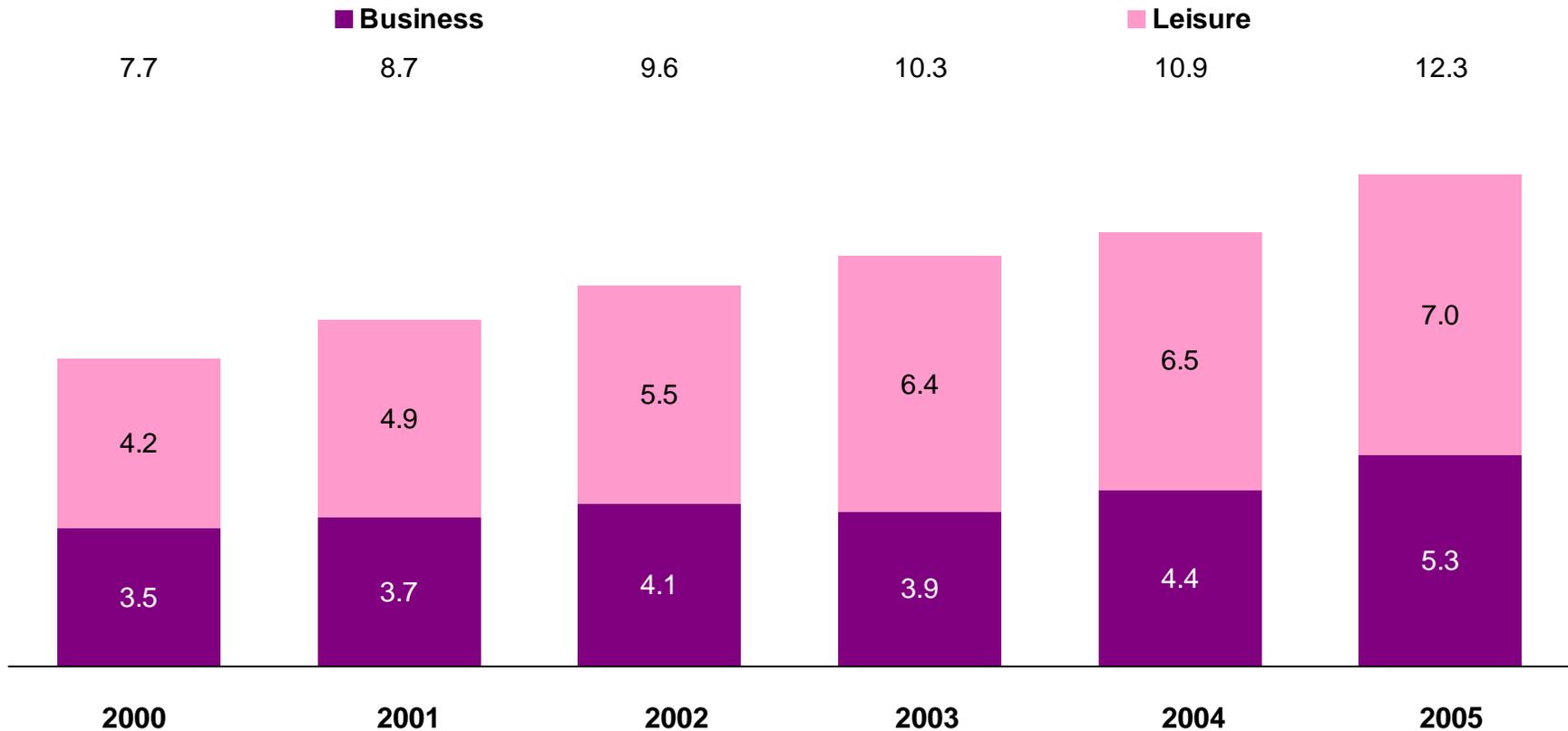


Idaho Stays Volume: Business vs. Leisure (2000-2005/Millions)



Total trips to Idaho (Stays) are up 13% for 2005 over 2004.

- Strong year over year growth is driven by Business; Leisure leaps 8.7% in 2005 following a cool 2004, resuming the strong growth seen between 2001 and 2003.

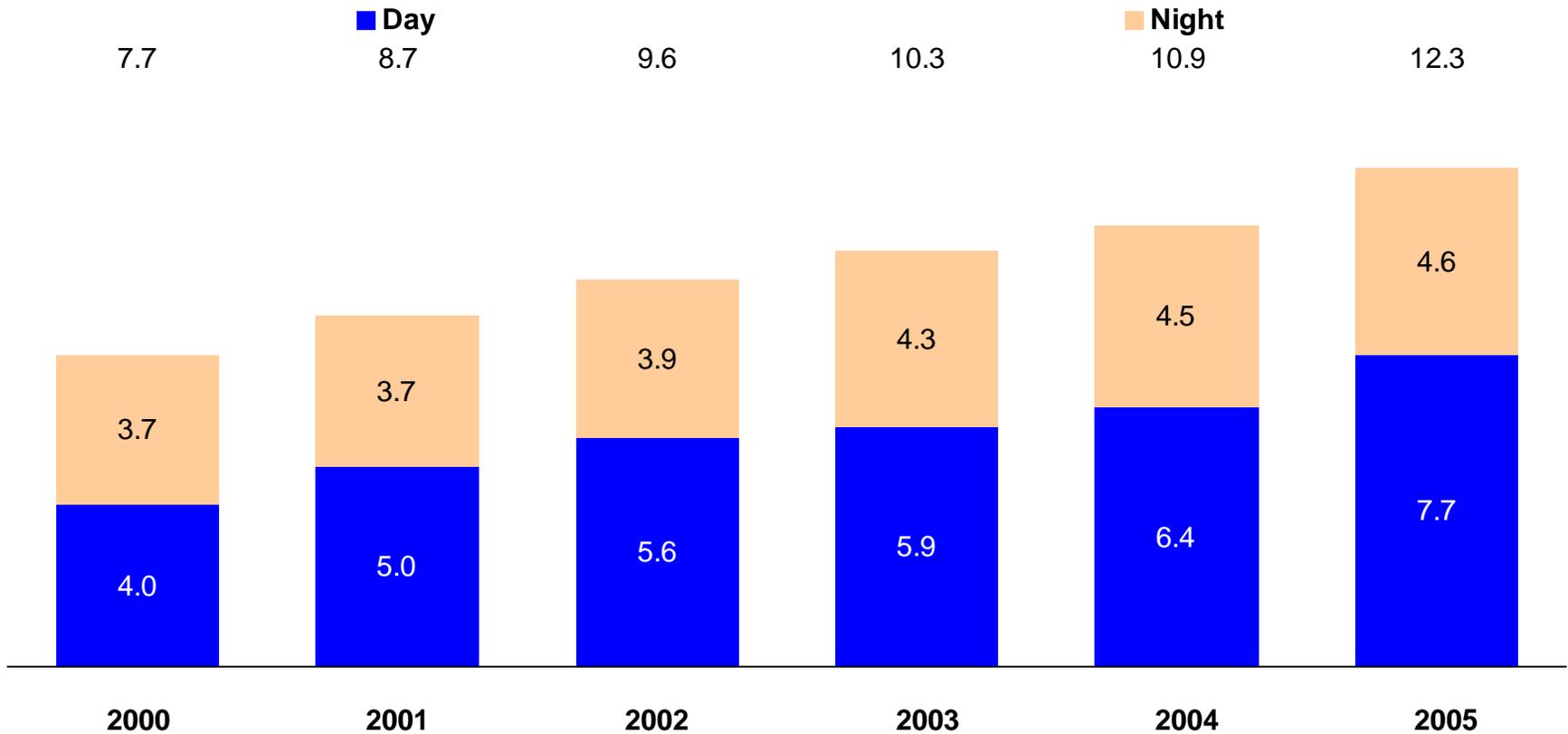


Idaho Stays Volume: Day vs. Overnight (2000-2005/Millions)



Year over year, Idaho day trips continue to increase, nearly doubling since 2000.

- From 2004 to 2005, Overnight volume has grown more slowly than in the years 2001-2004.

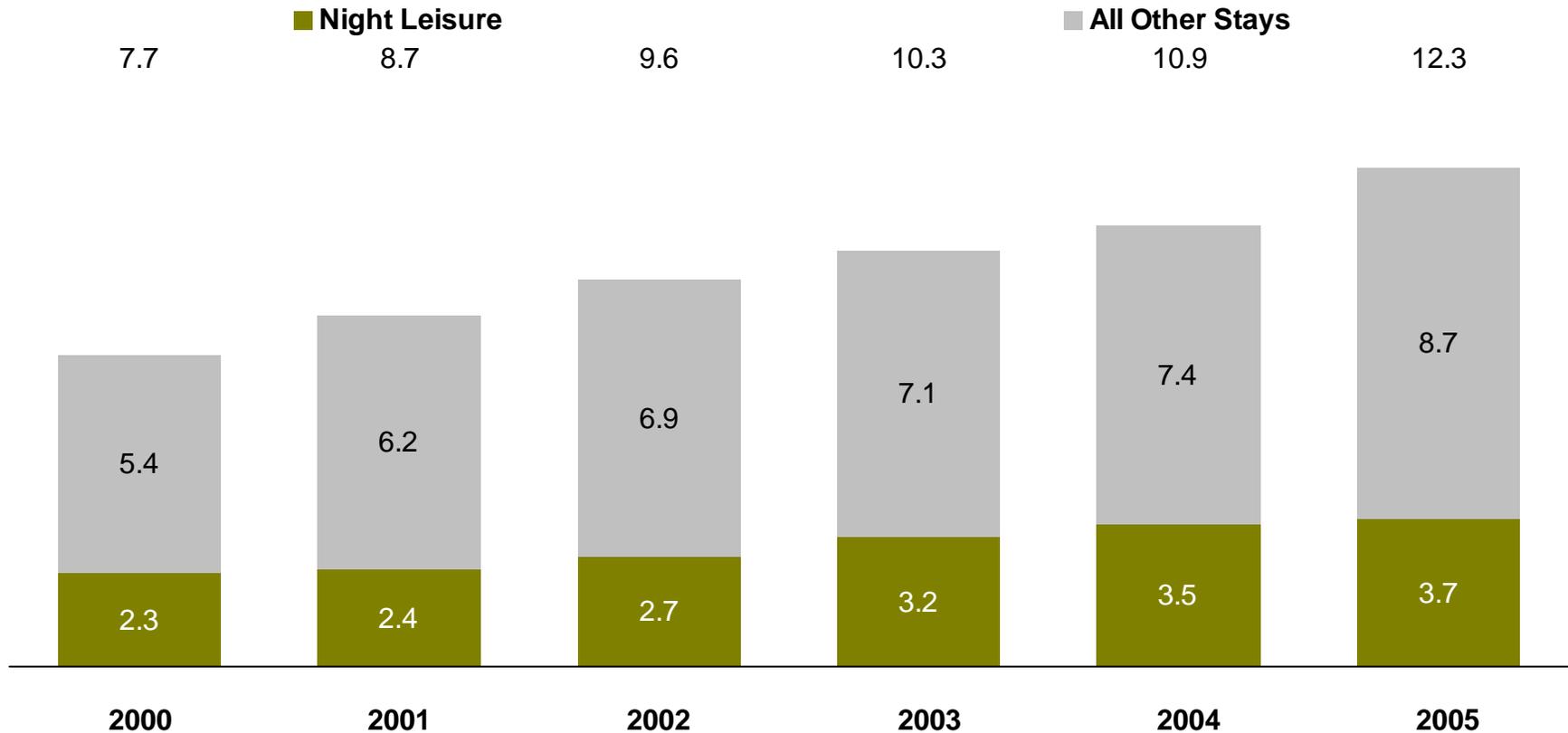


Idaho Stays Volume: Overnight Leisure (2000-2005/Millions)



Overnight Leisure Stays are up 3.9% from 2004 to a new high.

- Other Stay types, however, are up 18%, giving Idaho substantial gains in total Stays for 2005.



Idaho Stays Volume: % Change by Travel Segment (2001-2005)



This chart shows the Stays volume year-to-year percent changes for each of the six travel segments discussed in this report; Total, Business, Leisure, Day, Night and Overnight Leisure.

2005 brought Idaho's strongest year-over-year Stays increase since 2001. This was driven, primarily by high growth in Day and Business trips.

Idaho Overnight Leisure grew from 2001 to 2004, as family Leisure travel increased in the wake of 9/11. However, this growth has cooled as 9/11's impact lessens nationwide.

	02/01	03/02	04/03	05/04
Total	10.4%	7.4%	6.1%	13.2%
Business	10.2%	-5.8%	14.6%	19.8%
Leisure	10.6%	17.2%	1.0%	8.7%
Day	13.9%	5.3%	7.8%	20.1%
Night	5.8%	10.3%	3.7%	3.3%
Night Leisure	11.9%	18.0%	10.1%	3.9%



- Idaho Stays volume increased 13.2% in 2005. Idaho's 12.3 million 2005 Stays represents a substantial increase from the 2004 level of 10.9 million total Stays. Overall, Idaho Stays rose 60% since 2000.
 - Leisure Stays grew 8.7% from 2004 to 2005 to 7.0 million stays.
 - However, Business grew 19.8% to 5.3 million Stays. Business Stays jumped in 2005 from the previous record year of 2004 when 4.4 million Business stays were registered in Idaho.
 - Overnight Stays grew just 3.3% in 2005, from 4.5 million in 2004 to 4.6 million, while day trips increased by over 20% to 7.7 million.
 - Thus, Idaho's 2005 growth in total Stays is driven jointly by both Business and Day Stay increases, which overpower slight growth in Overnight Stays.
 - Overnight Leisure Stays grew just 3.9%% in 2005 to 3.7 million, up from the 2004 level of 3.5 million.

Idaho Person-Stays Volume Trends



- The following section will detail the person-trip volume trend in Idaho over the last six years. Person-Stays volume measures the number of people that traveled to a market and includes any repeat visits.

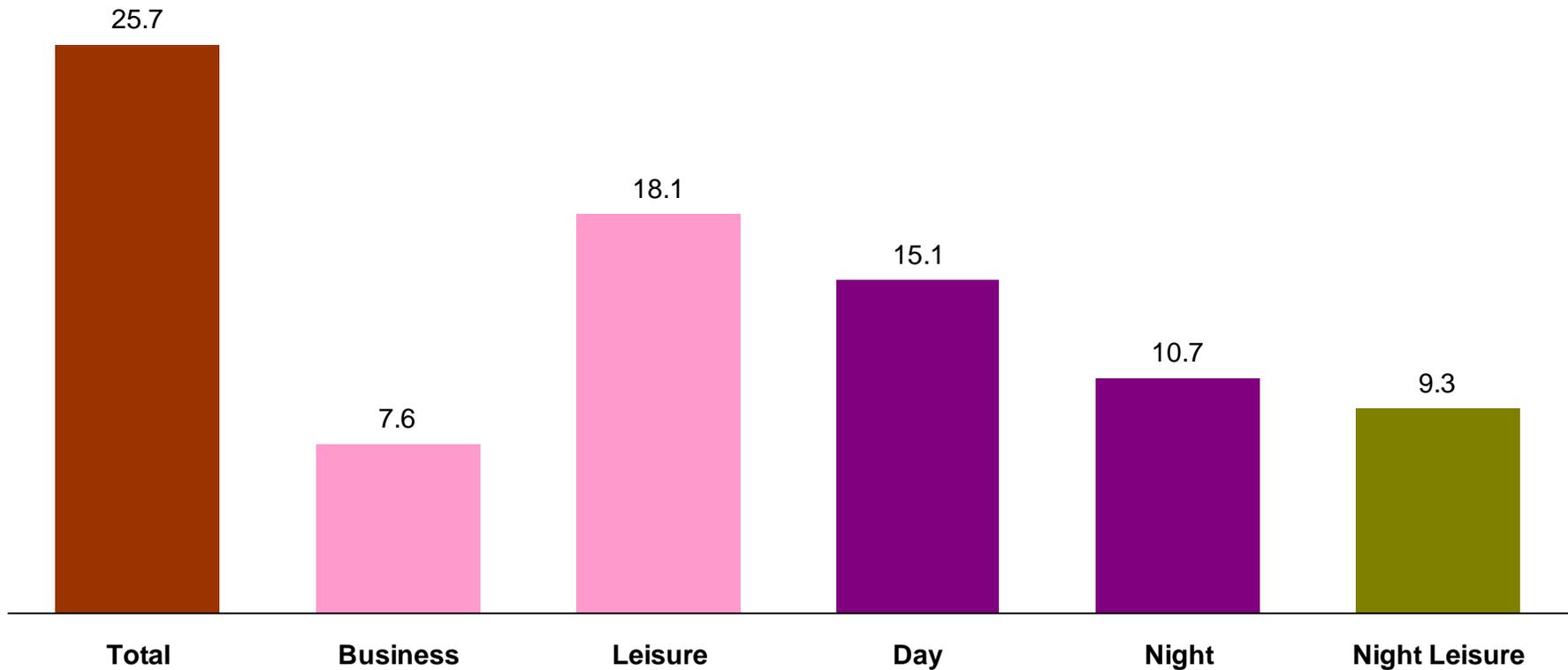
Mr. & Mrs. Smith's 5-day vacation in Anytown, USA = 2 Person-Stays.

Idaho Person-Stays Volume Summary (2005/Millions)



Overnight Leisure accounts for 36% of Idaho Person-Stays.

- Just over half of Leisure Person-Stays are overnight.
- Nearly nine in ten overnight Person-Stays are for Leisure.

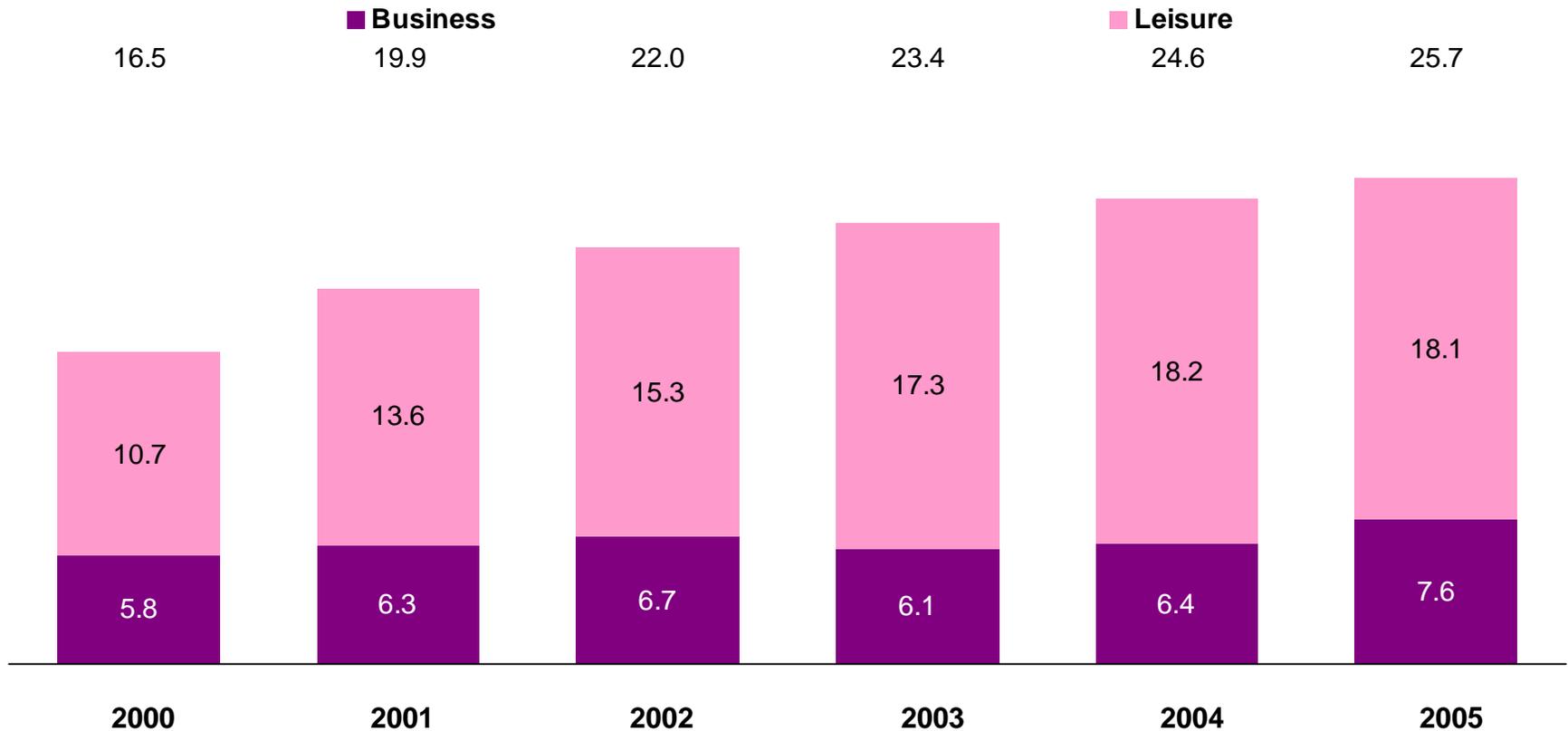


Idaho Person-Stays Volume: Business vs. Leisure (2000-2005/Millions)



The inter-relation of Stays to Party Size is clearly on display in Idaho's Person-Stay volume.

- Business Person-Stays segment grew by nearly 20% on light volume. An increase in total Business Stays (19.8%) is largely responsible for this jump, as Party Size is essentially flat.
- Leisure Person-Stays are down a fraction. Falling Leisure Party Size (-8.6%) offsets the year over year increase in Leisure Stays (8.7%).

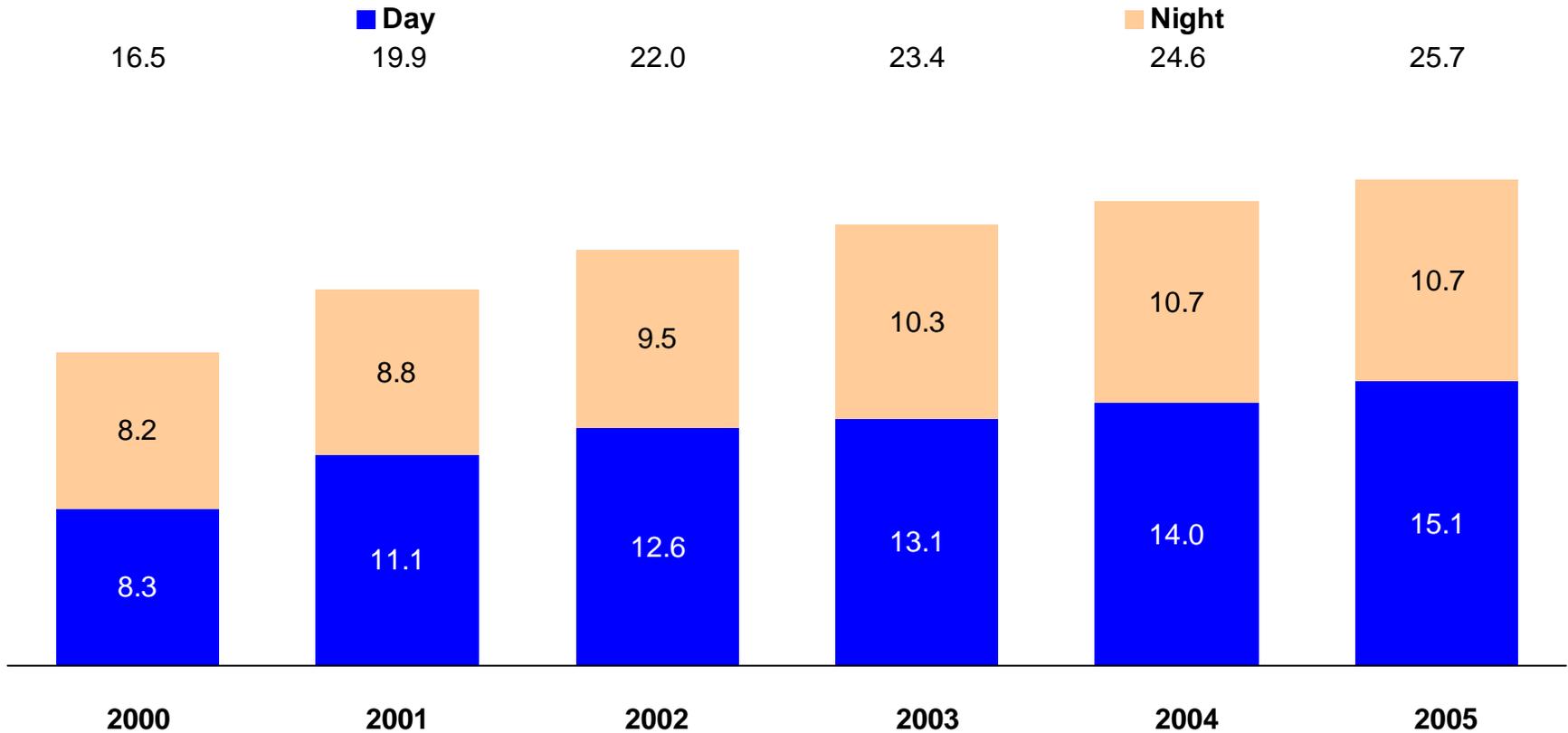


Idaho Person-Stays Volume: Day vs. Overnight (2000-2005/Millions)



Since 2001, day visits have grown to account for nearly 60% of Idaho Person-Stays.

- As Day Person-Stays continue to grow, Overnight Person Stay volume is flat for 2005.

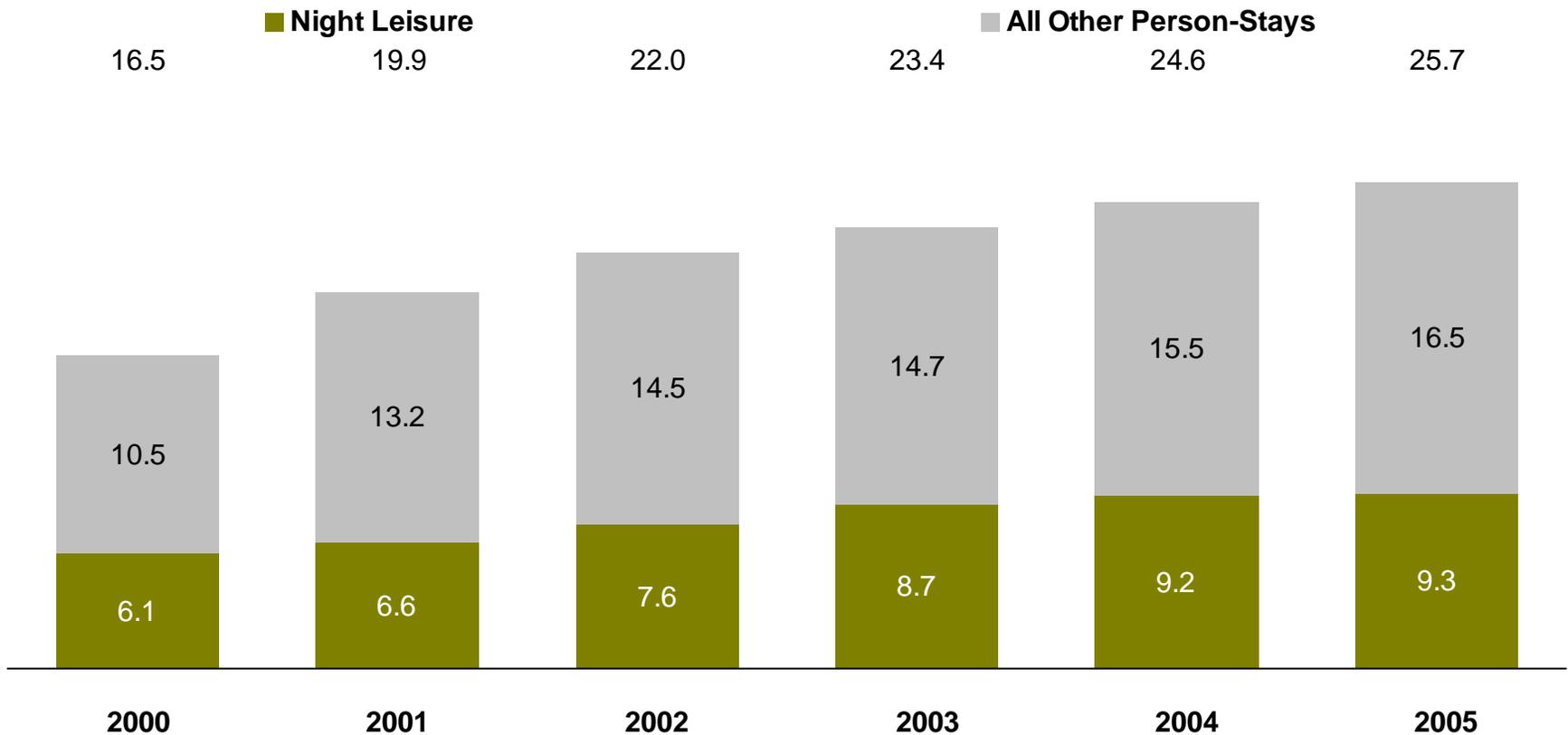


Idaho Person-Stays Volume: Overnight Leisure (2000-2005/Millions)



Overnight Leisure Person-Stays reach a new high at 9.3 million, yet year-over-year growth in Overnight Leisure has slowed from the pace seen from 2001 to 2004.

- Overnight Leisure now accounts for 36% of Idaho Person-Stays.



Idaho Person-Stays Volume: % Change by Travel Segment (2001-2005)



This chart shows the Person-Stays volume year-to-year percent changes for each of the six travel segments discussed in this report.

Idaho's Overnight Leisure Person-Stay base grew a scant 0.9% from 2004 to 2005.

	02/01	03/02	04/03	05/04
Total	10.8%	5.9%	5.4%	4.5%
Business	7.4%	-9.3%	4.8%	19.5%
Leisure	12.4%	12.6%	5.6%	-0.7%
Day	13.1%	3.8%	6.7%	7.9%
Night	7.9%	8.8%	3.7%	0.0%
Night Leisure	14.3%	14.2%	5.7%	0.9%

Idaho Person-Stays Volume Intelligence



Person-Stays represent total visitor volume, counting each member of the travel party for each Stay.

- Idaho Person-Stays -- or 'traveler' - volume, which takes into account the number of Stays and the number of persons in each Stay, increased 4.5% in 2005 to a new peak of 25.7 million.
 - Leisure Person-Stays fell slightly (-0.7%) in 2005 to 18.1 million, while Business Person-Stays grew 19.5% to 7.6 million. Thus, Idaho's 2005 Person-Stays increase was driven by Business travelers, whose gains offset a slight decline in the larger Leisure segment.
 - Overnight Person-Stays were unchanged year over year at 10.7 million, while Day Person-Stays grew 7.9% from the 2004's 14.0 million to 15.1 million for 2005.
 - Thus, the strong increase in Idaho Business Person-Stays drives the overall increase in total Person-Stays, with little contribution from the Leisure segment. This, combined with an Overnight volume that is flat year over year, points to a strong increase in Day Business travel.
 - Overnight Leisure Person-Stays increased 0.9% in 2005 to 9.3 million.
- A decrease in average Party Size (-7.6%) for 2005 is a factor in Idaho total visitor volume (+4.5%) lagging behind growth in total Stays (+13.2%).
- Overnight Leisure party size fell 2.8% from 2004 to 2005. Combined with a 3.9% year over year increase in Stays, this results in slight (0.9%) progress in Overnight Leisure Person-Stays.

Idaho Person-Day Volume Trends



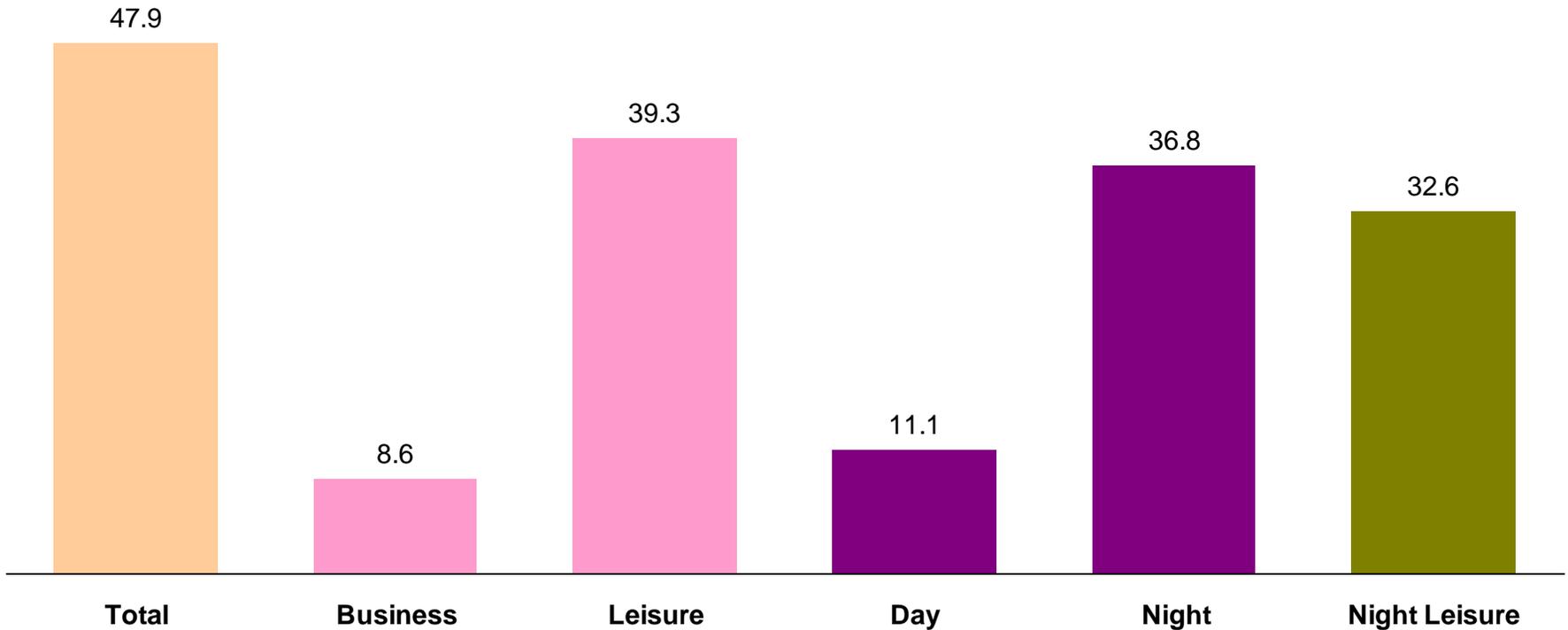
- The following section will detail the Person-Day volume trend in Idaho over the last six years. Person-day volume measures the impact of a visitor to a market by including the length of stay and party size into the volume measure.

Mr. & Mrs. Smith's 5-day vacation in Anytown, USA = 10 Person-Days. (2 Person-Stays x 5 days)

Idaho Person-Days Volume Summary (2005/Millions)



Person-Days volume reflects party size as well as stay length. With larger party sizes and longer stay lengths, Overnight Leisure accounts for two-thirds of Idaho's 2005 Person-Day base.

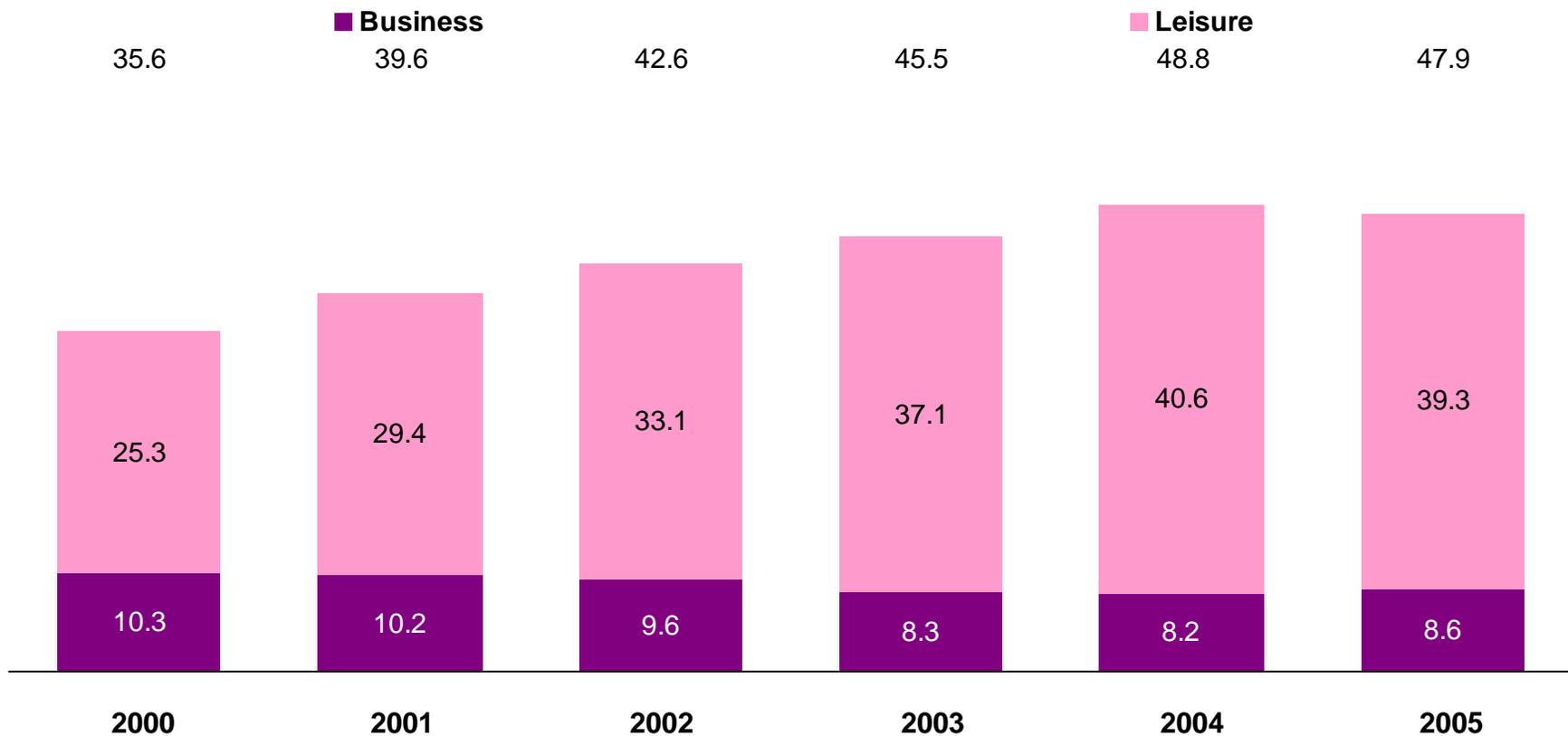


Idaho Person-Days Volume: Business vs. Leisure (2000-2005/Millions)



In 2004, Idaho registered 48.8 million person-days, a new record. For 2005, Person-Day volume is down 1.9% from this peak to 47.9 million. The majority of Person-Days are by Leisure travelers.

- Thus the 4.9% increase in Business person-Days fails to offset the 3.3% drop in Leisure days.
- Declines in Leisure Party Size (-8.6%) and Length of Stay (-2.6%) both contribute to this drop.

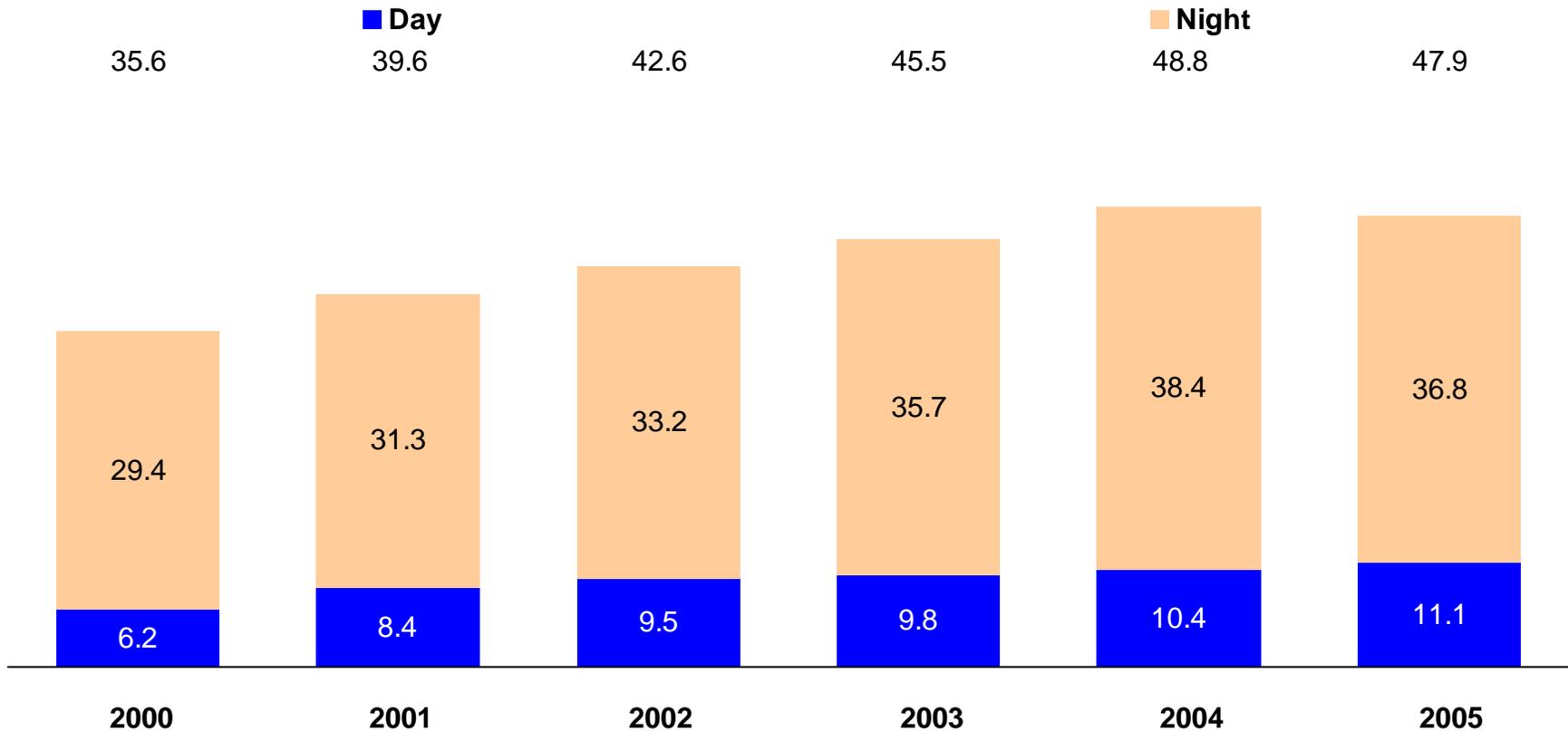


Idaho Person-Days Volume: Day vs. Overnight (2000-2005/Millions)



While Day trip Person-Day volume grew steadily year over year, Overnight Person-Day volume is down 4.3% from 2004 to 2005.

- Overnight Person-Day volume is heavily influenced by stay length, which fell 4.3% for 2005.
- Through this period, Paid lodging represents almost two-thirds of Idaho Overnight Person-Days.

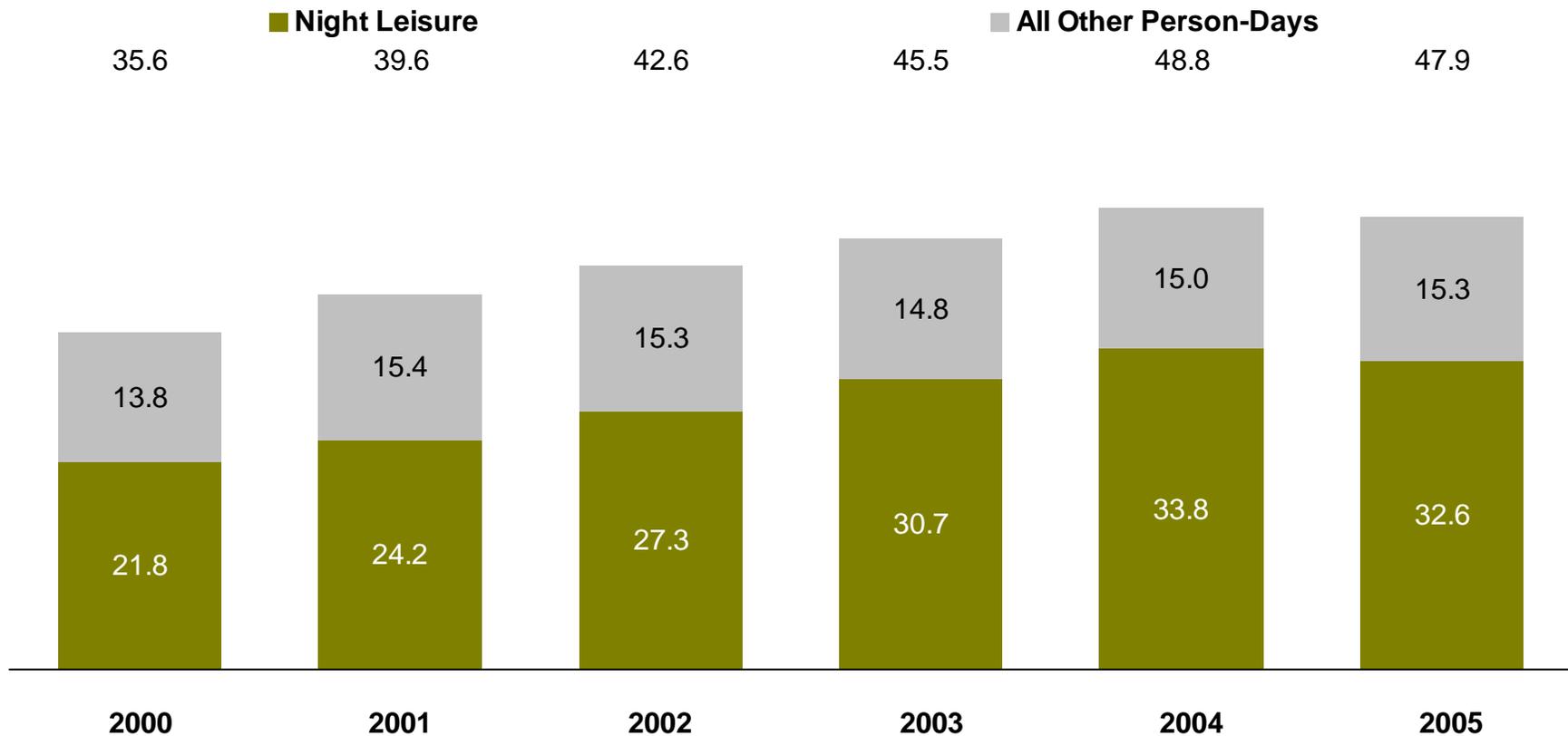


Idaho Person-Days Volume: Overnight Leisure (2000-2005/Millions)



Due to the combined effects of larger party sizes and longer stay lengths, Overnight Leisure represents the great majority of Person-Days.

- For 2005, Overnight Leisure Person-Days fell 3.6% to 32.6 million. Falling Party Size (-2.8%) and Length of Stay (-4.5%) both contribute to this drop.



Idaho Person-Days Volume: % Change by Travel Segment (2001-2005)



This chart shows the Person-Days year-to-year percent changes for each of the six travel segments discussed in this report.

Although Idaho Overnight Leisure Stays are up by 3.9%, the combination of decreasing Party Size and Stay Length drives Idaho Overnight Leisure Person-Days down 3.6% for 2005.

	02/01	03/02	04/03	05/04
Total	7.6%	6.7%	7.3%	-1.9%
Business	-6.1%	-12.7%	-1.9%	4.9%
Leisure	12.3%	12.3%	9.3%	-3.3%
Day	12.9%	3.1%	6.7%	6.8%
Night	6.2%	7.7%	7.4%	-4.3%
Night Leisure	12.8%	12.6%	10.2%	-3.6%



Person-Days is the volume metric most correlated with Hotel Room Nights and total travel spending.

- Idaho Person-Day volume fell by 1.9% in 2005 to 47.9 million from the 2004 record level of 48.8 million. Person-Days volume takes into account Stays, Party Size, and Length of Stay.
 - Leisure Person-Days fell 3.3% in 2005, dropping Leisure Person-Day volume to 39.3 million; Business Person-Days actually increased 4.9% to 8.6 million.
 - The decrease in Leisure outweighs a slight increase in Business, pulling overall volume down.
 - While Leisure Person-Days are down from an all-time high of 40.6 million in 2004, 2005 shows progress above the 2003 level of 37.1 million Person-Days.
 - Overnight Person-Days decreased 4.3% to 36.8 million; day Person-Days grew 6.8% to a new record of 11.1 million. Thus “Overnight” is one key to the decrease in Person-Days.
 - 2004 was a record year for Overnight (38.4 million) Person-Days. However, Idaho’s 2005 Overnight Person-Days do represent growth from the 2003 level of 35.7 million.
 - Overnight Leisure Person-Days decreased 3.6% in 2005 to 32.6 million.
- A combination of factors inhibit Idaho 2005 Overnight Leisure Person-Days volume.
 - Independently, Overnight and Leisure Person-Days are both down from 2004 peaks.
 - Both Party Size (-2.8%) and Length of Stay (-4.5%) impact Overnight Leisure Person-Days.
 - Moreover, these declines are consistent with a slow return to pre-9/11 travel patterns.

Idaho Paid Hotel Room Nights Volume Trends



- The following section will detail the Room Nights volume trend in Idaho over the last six years.
- Room Nights volume measures traveler reported stays in paid overnight hotel and motel lodging.
 - Paid stays in campgrounds, RVs, timeshares and private homes and other accommodations are not included. Non-paid accommodations are not included.
- Idaho paid lodging accounts for just 57.4% of Overnight Person-Stays and just over half of Person-Days for 2005, well below the average for U.S. travelers.

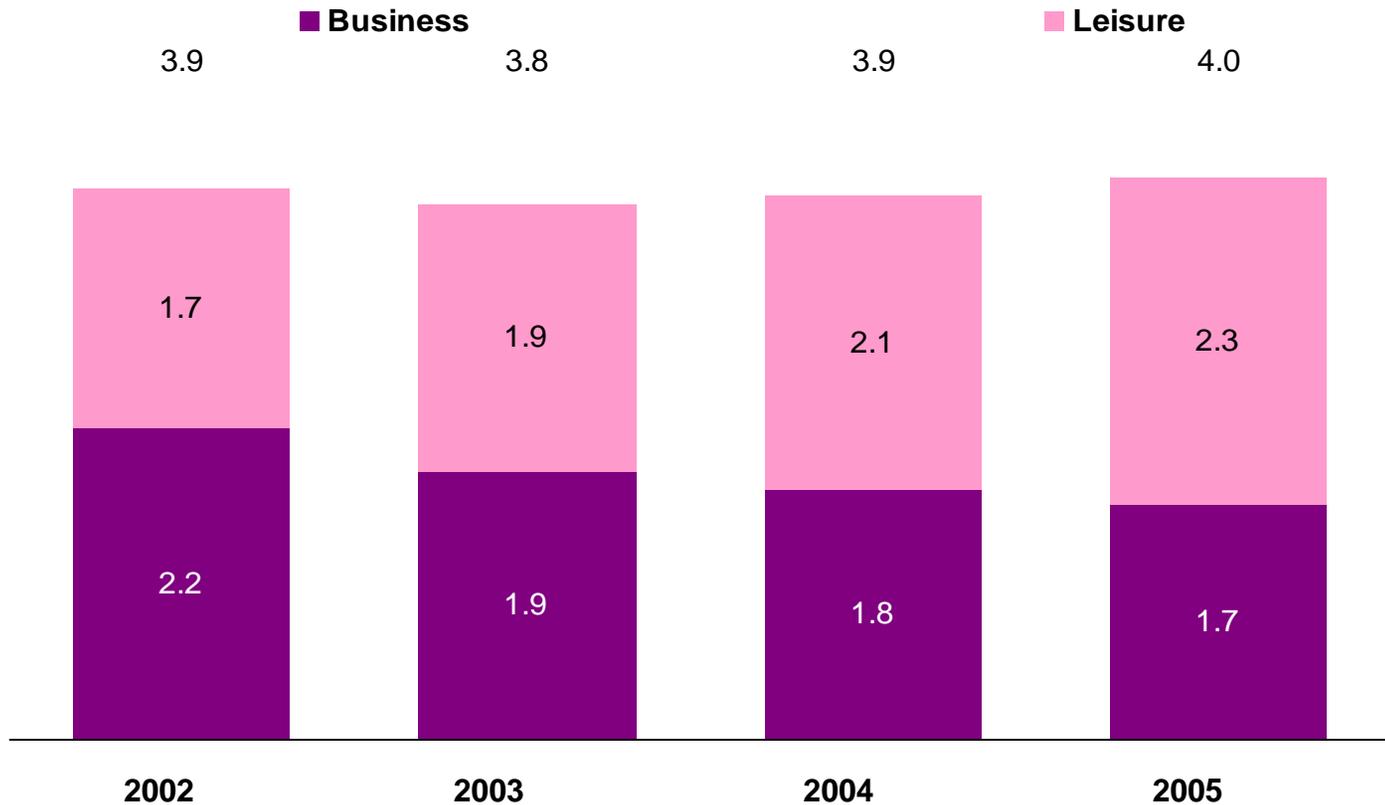
<i>Paid Share of Total Overnight</i>	2001	2002	2003	2004	2005
<i>Person-Stays</i>					
<i>U.S.</i>	63.6%	64.7%	64.5%	65.4%	65.2%
<i>Idaho</i>	53.3%	57.6%	51.5%	50.5%	57.4%
<i>Person-Days</i>					
<i>U.S.</i>	58.3%	59.6%	59.5%	61.0%	60.8%
<i>Idaho</i>	44.3%	47.3%	42.7%	41.4%	50.5%

Idaho Hotel Room Nights Volume: Business vs. Leisure (2000-2005/Millions)



Since 2002, Leisure has accounted for a growing proportion of Idaho Hotel Room Nights.

- Leisure now accounts for 58% of Idaho room nights.
- Following a nationwide trend, Idaho's Leisure travel market eclipsed the Business segment in share of hotel room nights beginning in 2004.



Idaho Direct Domestic Spending Trends



The following section details the Direct Domestic Spending volume trend in Idaho over the last six years.

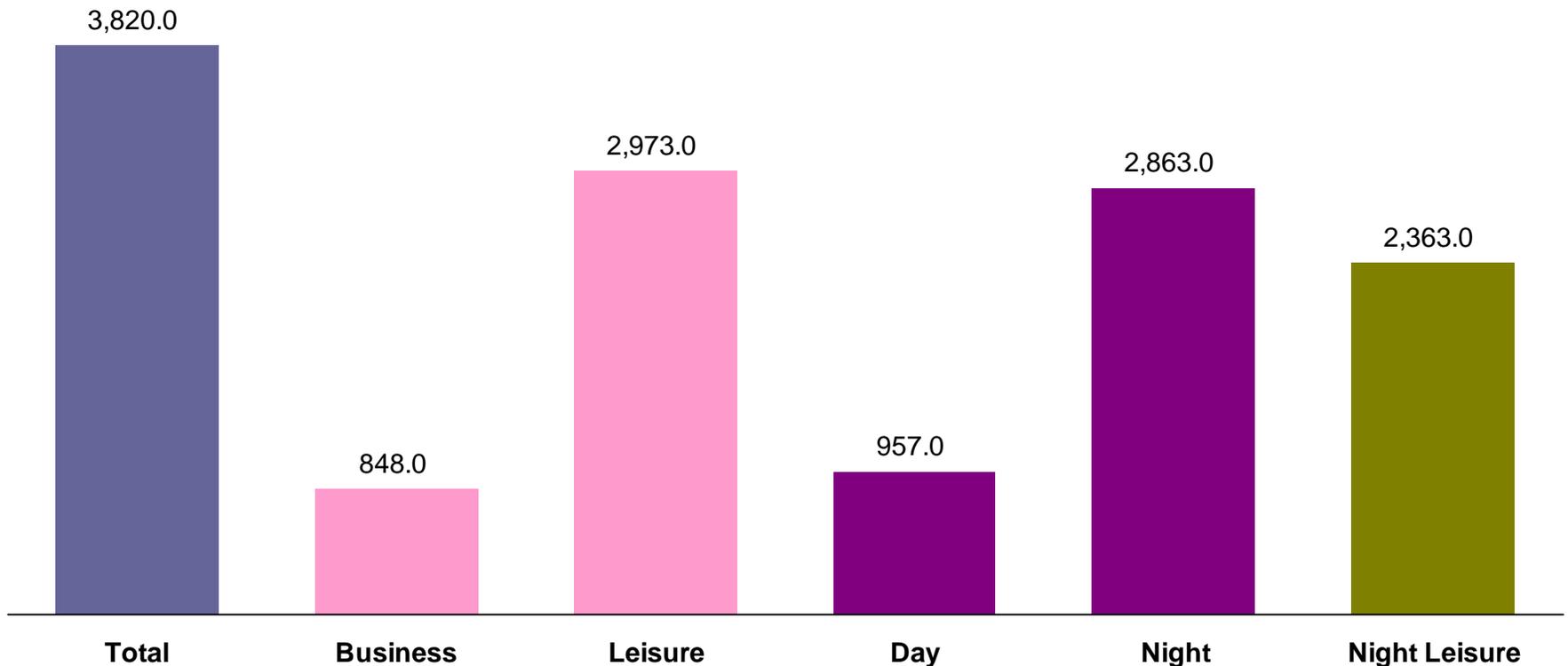
- Direct Domestic Spending volume measures the total spending by U.S. travelers in a market.
- The Direct Domestic Spending measure tracks total traveler spending on
 - Transportation,
 - Lodging,
 - Dining,
 - Entertainment,
 - Shopping, and
 - Other Miscellaneous travel costs.
- Direct Domestic Spending does not measure the indirect or induced economic impact driven by traveler spending.
 - The indirect and induced spending estimates can be purchased separately in the *PERFORMANCE/Monitor*SM *ECONOMIC IMPACT* report.

Idaho Direct Domestic Spending Summary (2005/\$Millions)



This chart summarizes Idaho traveler spending for each of the travel segments discussed in this report. Direct spending includes spending by travelers on transportation, accommodations, food and beverage, shopping, entertainment, and other miscellaneous purchases.

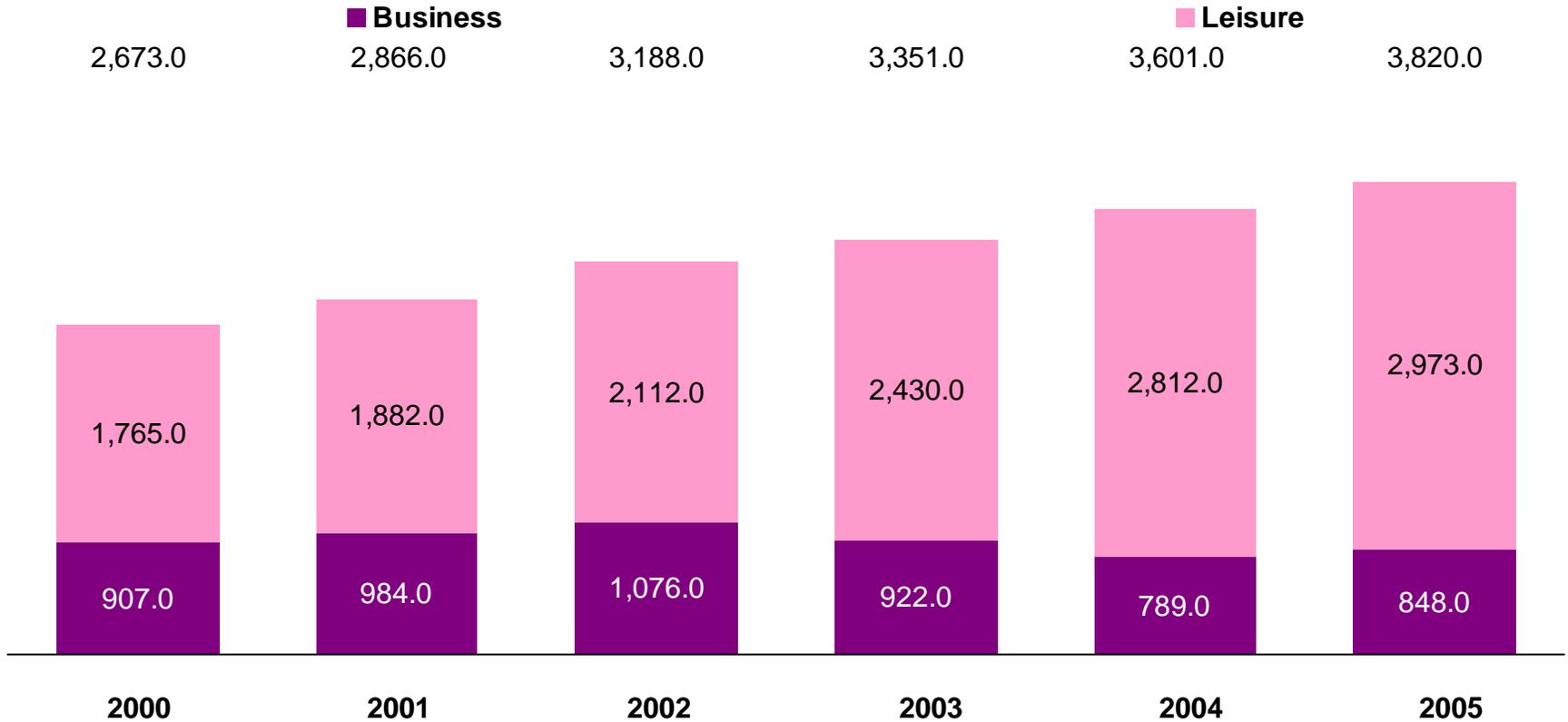
- Although Overnight Leisure trips account for less than one third of Idaho stays, these stays account for over 60% of Idaho traveler spending.



Idaho Direct Domestic Spending: Business vs. Leisure (2000-2005/\$Millions)



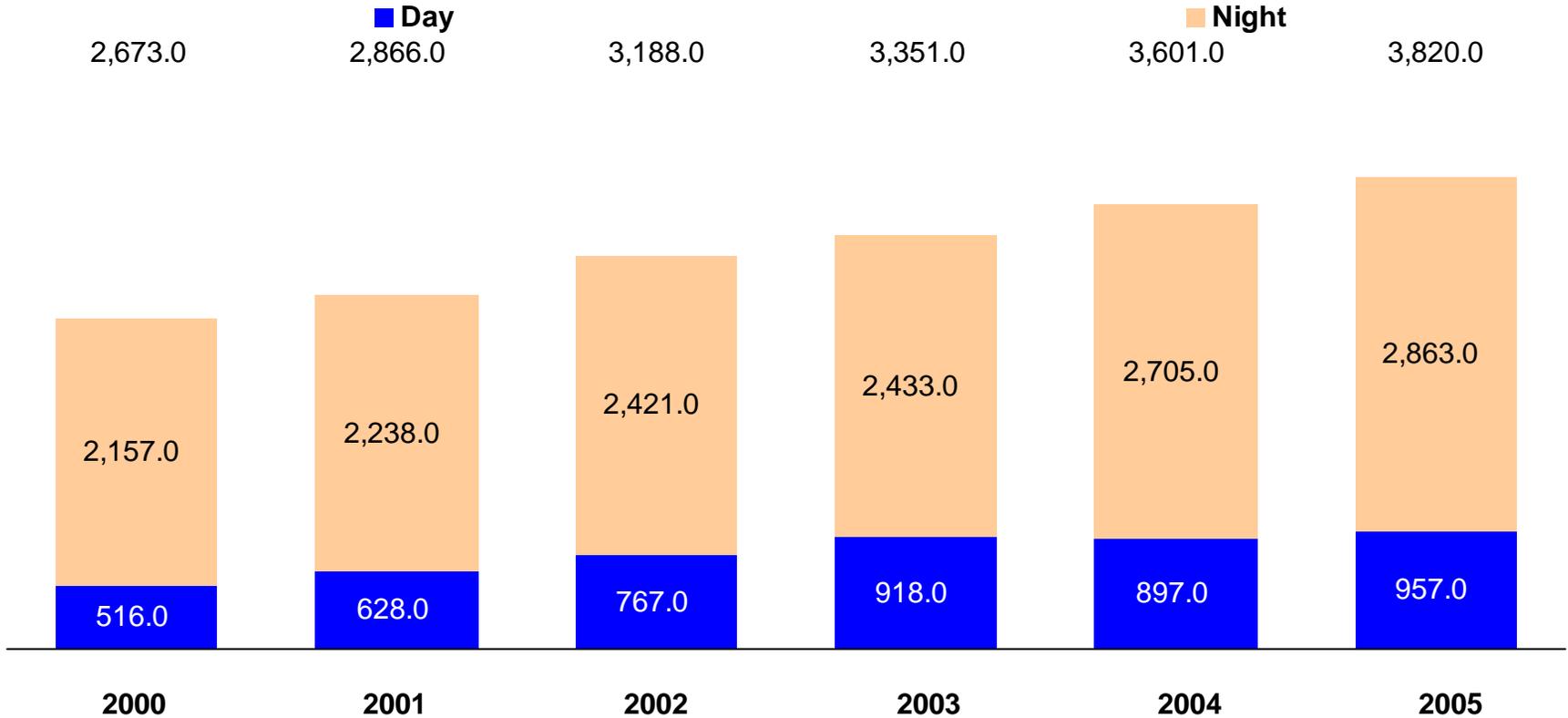
Leisure travel, with larger party sizes and longer stays, dominates Direct Domestic Spending.



Idaho Direct Domestic Spending: Day vs. Overnight (2000-2005/\$Millions)



With longer stays plus the additional expense of lodging, overnight travelers account for three quarters of overall Idaho traveler spending.

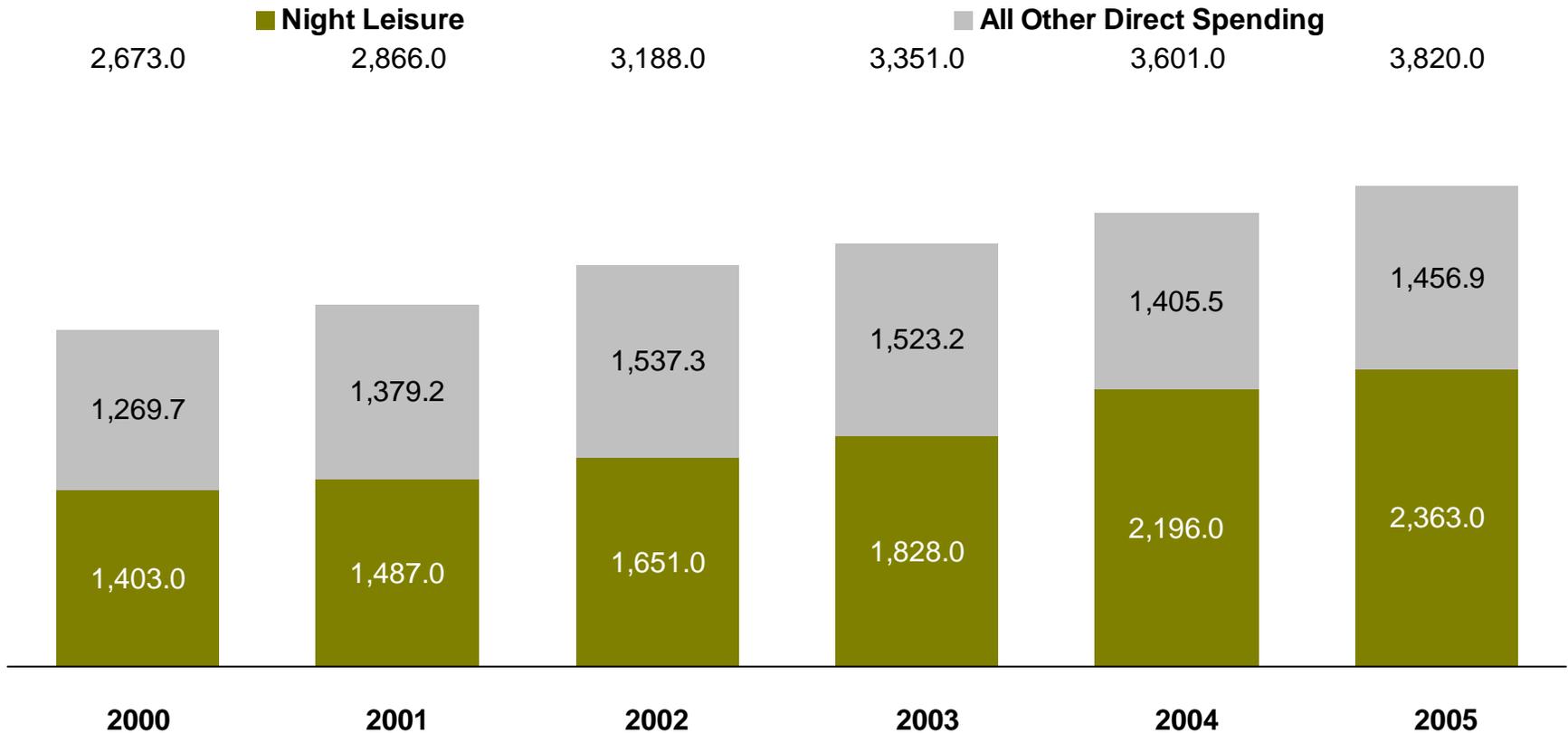


Idaho Direct Domestic Spending: Day vs. Overnight (2000-2005/\$Millions)



Overnight Leisure accounts for 62% of Idaho Domestic traveler total spending, a greater share than Day Leisure and total Business spending combined.

- For 2005, Overnight Leisure spending grew 7.6% to 2.36 billion, a new record.

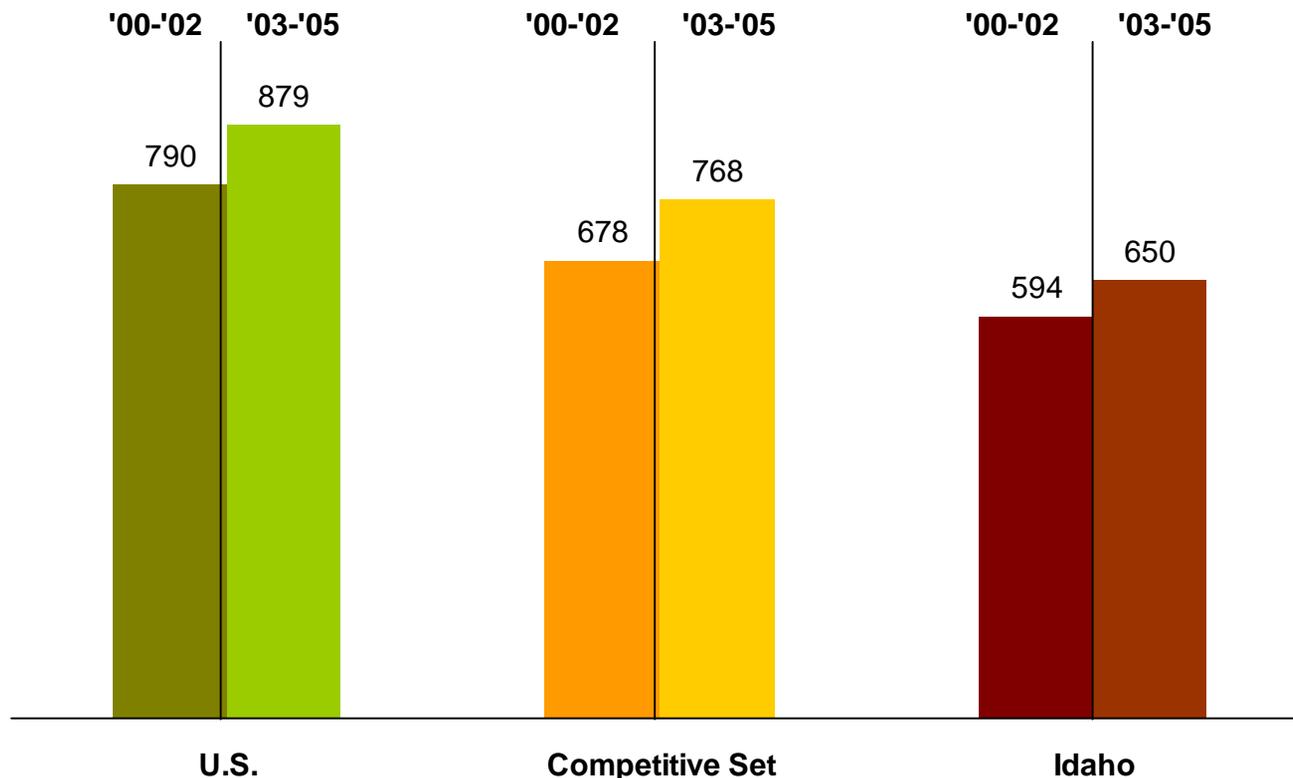


U.S. Traveler Trip Spending Overview: U.S., Competitive Set, and Idaho (2000-2005/ % Overnight Leisure Stays)



Travel party direct trip spending is analyzed using three years of combined data (2003-2005) compared to the previous three year period (2000-2002). U.S. Overnight Leisure trip spending is up 11% over the three year period, slightly behind the TPI increase, indicating that travelers are economizing on their trips.

For the same period, Idaho trip spending is up just 9% while the Comp Set grew spending by over 13%. Idaho trip spending now trails the Comp Set by 15% and is more than 25% below the U.S. level.



Idaho Traveler Direct Domestic Spending: % Change by Travel Segment (2001-2005)



This chart shows the year-to-year percent changes for each of the six travel segments discussed in this report.

Direct spending by Overnight Leisure travelers to Idaho grew 7.6% in 2005. While maintaining a positive trend, this represents a slowdown in 2001 to 2004 growth rates.

	02/01	03/02	04/03	05/04
Total	11.2%	5.1%	7.5%	6.1%
Business	9.4%	-14.3%	-14.4%	7.4%
Leisure	12.2%	15.0%	15.7%	5.7%
Day	22.2%	19.7%	-2.4%	6.8%
Night	8.2%	0.5%	11.2%	5.9%
Night Leisure	11.0%	10.7%	20.1%	7.6%

Idaho Traveler Direct Domestic Spending Intelligence



- Idaho domestic traveler spending grew 6.1% for 2005 to \$3.82 billion, a new high. This exceeds the 2004 level of \$3.60 billion. Leisure spending increased 5.7% in 2005, to \$2.97 billion, while Business spending rose 7.4% to \$848 million. While Business sector growth rates outpaced that of Leisure, Leisure drives Idaho overall spending increase due its accounting for 78% of Idaho traveler direct spending.
 - Overnight spending increased 5.9% in 2005 to \$2.9 billion, while day trip spending grew almost 7% to \$957 million. While Day trip spending grew at a faster rate, Overnight spending increases contributed 72% to total Idaho Direct Domestic Spending growth.
 - Overnight Leisure spending was up 7.6% in 2005 to \$2.36 billion.

- Idaho visitor spending is up 43% over the level seen in 2000, outpacing U.S. and Comp Set spending growth for the six-year period.

- Despite this growth relative to total U.S. and Comp Set traveler spending, Idaho traveler spending is more than 25% below the U.S. traveler average on a per-trip basis (data years 2003-2005 combined).
 - Idaho trip spending also trails the Comp Set by 15%

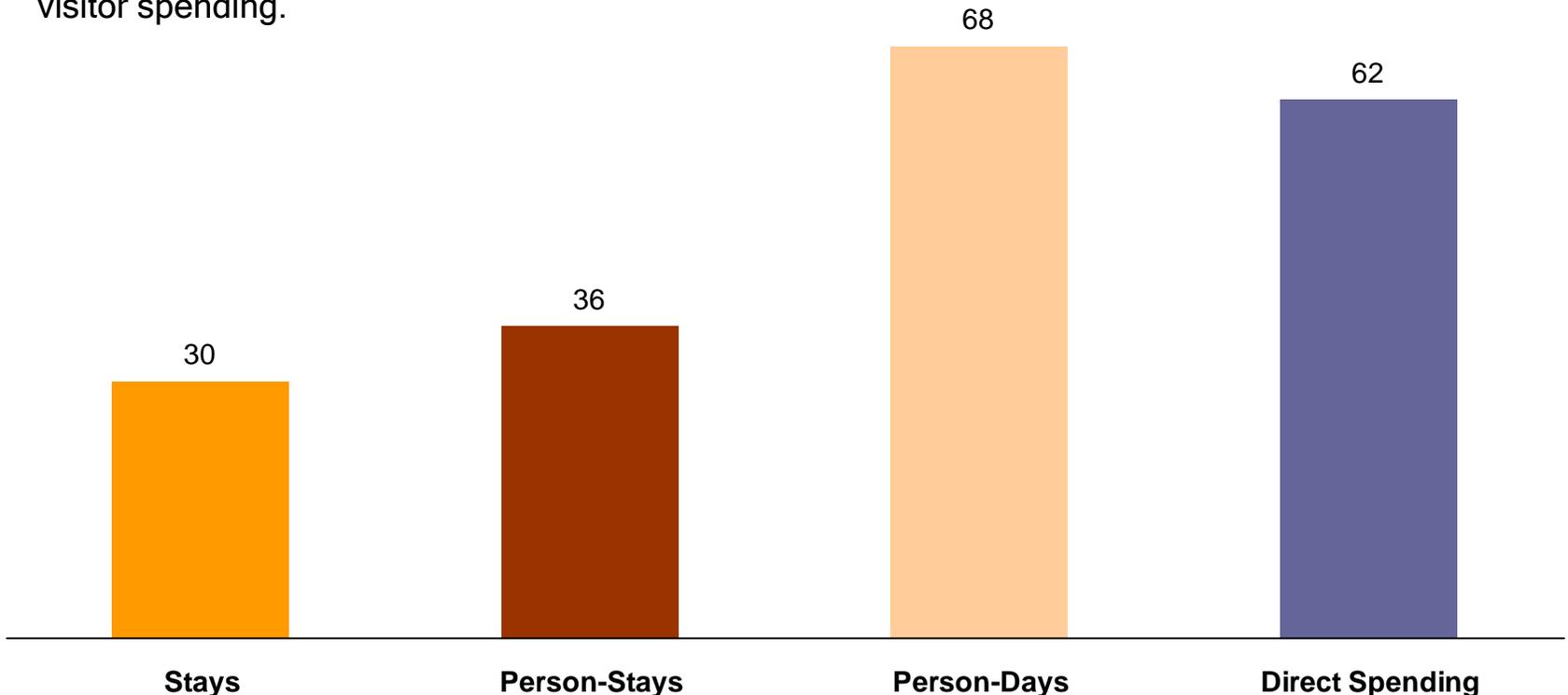
Idaho Overnight Leisure Volume Summary (2005/% of Total Volume)



This profile focuses on the Overnight Leisure travel segment. This chart shows Overnight Leisure's proportion of total volume for each of four volume measures; Stays, Person-Stays, Person-Days and Direct Spending.

Overnight Leisure accounts for only 30% of travel party volume. Yet due to larger party sizes and longer stay lengths as compared to business travelers, 68% of all traveler Person-Days in Idaho are on Overnight Leisure.

High spending by Business travelers reduces the Overnight Leisure \$ share to just 62% of total visitor spending.



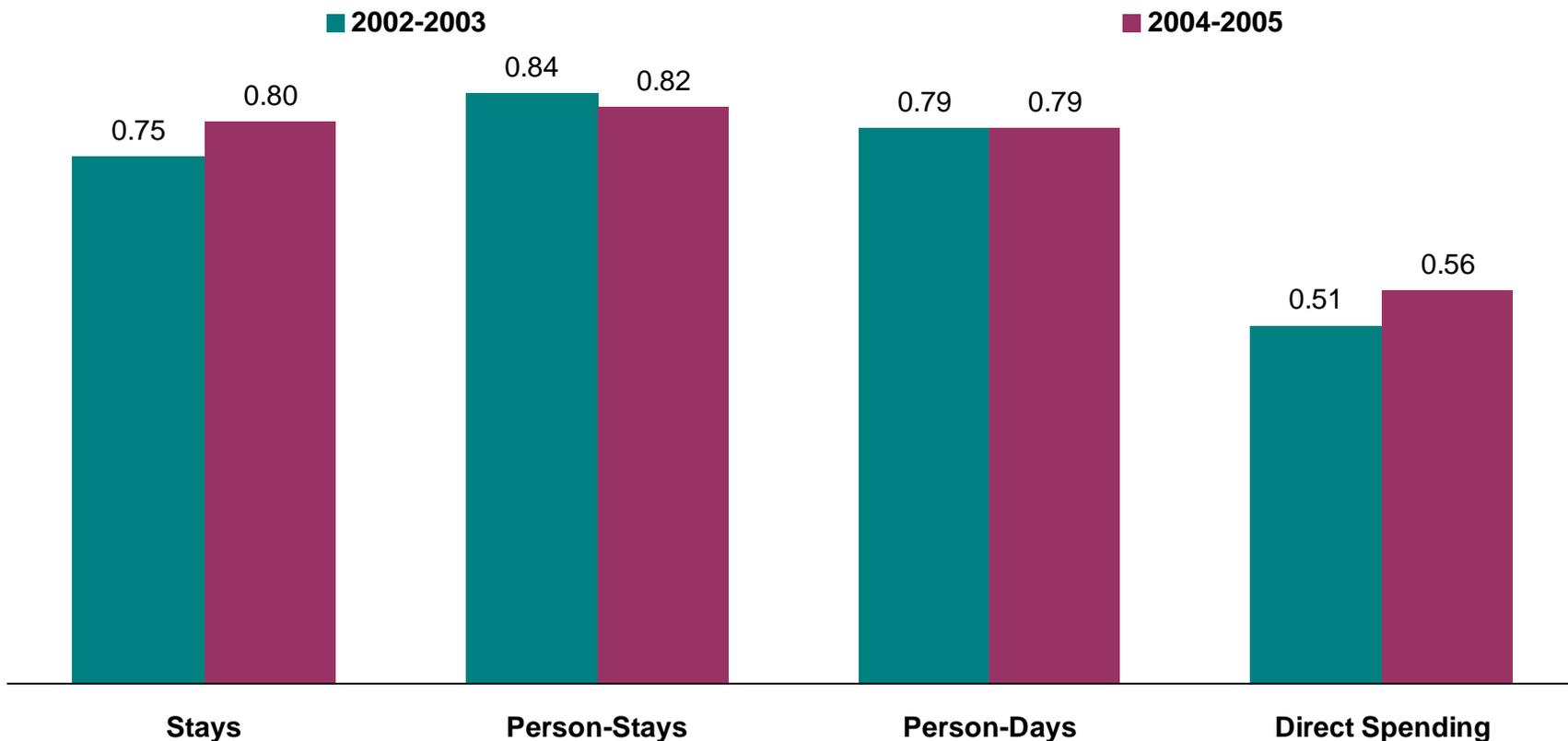
Idaho Share of U.S. Travel (2004-2005 vs. 2002-2003/% of Overnight Leisure)



Idaho shares of U.S. Stays is up for 2004-2005 over the 2002-2003 level, indicating greater Idaho growth relative to the U.S. growth rate. However, Idaho share of U.S. Person-Stays is down due to a relative decline in Party Size. Idaho share of Person-Days is flat year over year.

Idaho gained share of total domestic travel spending as the pace of U.S. Leisure growth cooled.

NOTE: This chart refers to Idaho share of U.S. travel volume across four key measures.





- Idaho's shares of the U.S. Overnight Leisure travel volume range from a high of .82% for Person-Stays volume to a low of .56% for traveler spending for the 2004-2005 period.
 - These figures represent growth in Stays and Direct Domestic Spending relative to the U.S. total, but a decline in relative Party Size from the 2002-2003 period.
 - Idaho share of U.S. Person-Days is unchanged.
- Annual spending data reveal that Idaho has been able to grow traveler spending over the past five years at a fast rate.



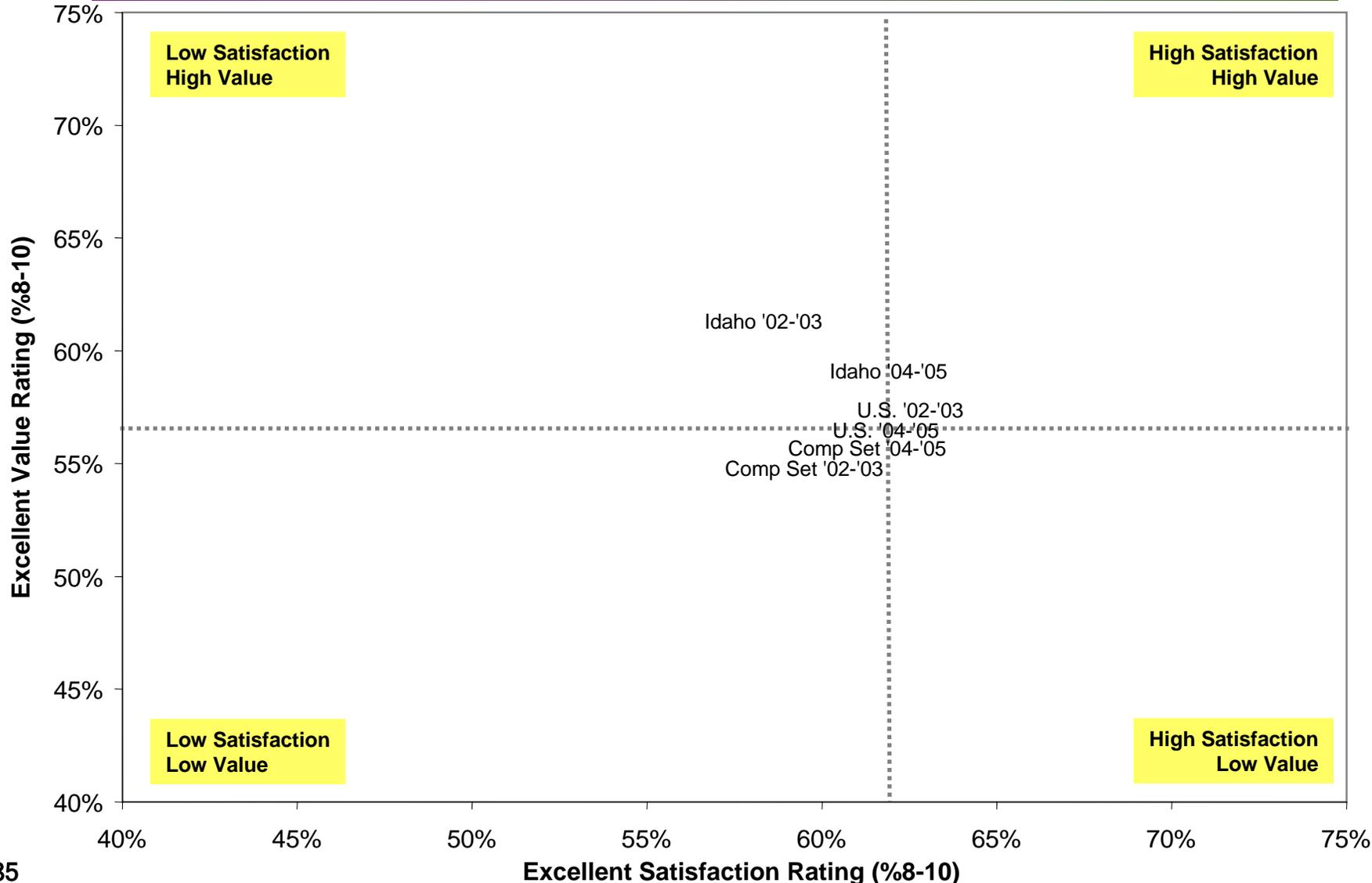
- Travelers rate each city visited for overall satisfaction and overall value on a 10-point scale, where 1 is lowest or “poor” and 10 is highest or “excellent”.
- The following chart shows each destination’s satisfaction and value ratings. The chart plots the percentage of top three (8-10, net%) ratings on ten-point satisfaction and value scales.
- The chart is separates destinations based on the combinations of satisfaction and value scores into one of four quadrants:

▪ Low Satisfaction, High Value	▪ High Satisfaction, High Value
▪ Low Satisfaction, Low Value	▪ High Satisfaction, Low Value

- Destinations falling into the High Satisfaction, High Value quadrant have the most loyal visitors. Those visitors are most likely not only to return, but also register higher per-trip spending and are more likely to provide invaluable word-of-mouth by recommending the destination to others.

Excellent Destination Satisfaction vs. Value Ratings: U.S. and Idaho

(2002-2003 vs. 2004-2005/% of Overnight Leisure Person-Stays)





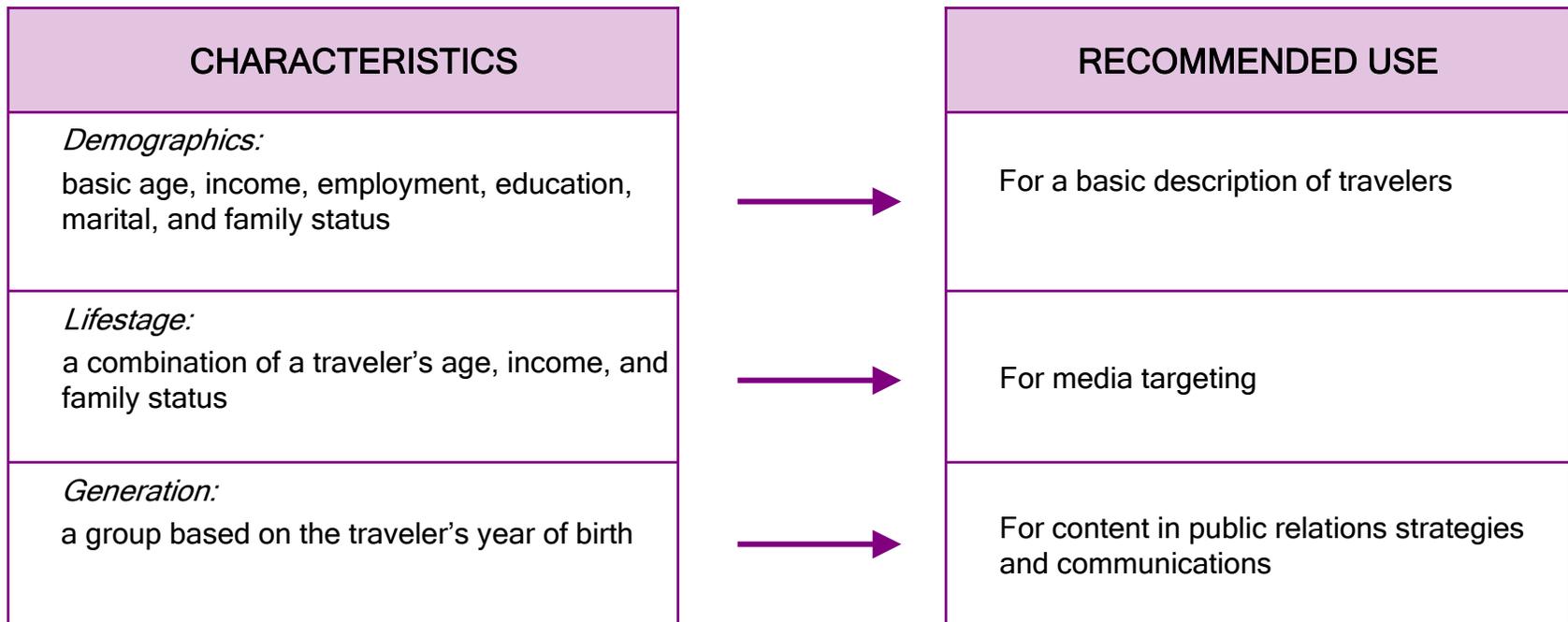
- Relative to average traveler ratings for all U.S. destinations, Idaho travelers rate the State high in Value. Traveler Satisfaction with their Idaho visit is on par with the U.S. average.
- Idaho provides travelers with a level of Value for the money that slightly exceeds the average for U.S. states.
- A boost in traveler Satisfaction without further decline in perceived value for the money could move Idaho into the High Value, High Satisfaction quadrant.



- Age**
- Children in Household**
- Income**
- Lifestage**
- Generation**
- Occupation**



The following section provides various demographic analyses to help travel marketers and planners better target their communications. DKS&A will give the reader three ways to analyze traveler demographic profiles and the recommended use for marketing:

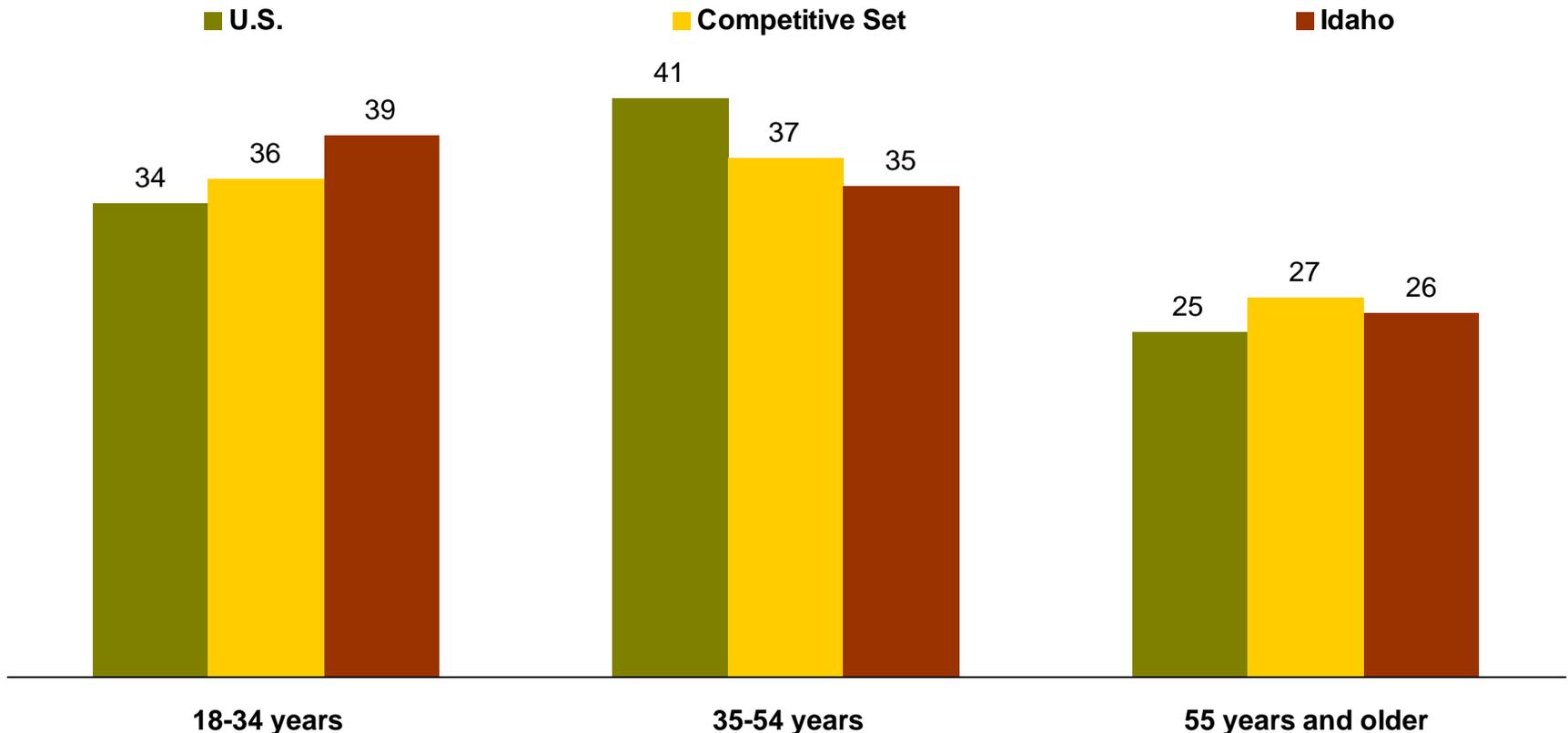


Age Distribution: U.S., Competitive Set, and Idaho (2004-2005/% of Overnight Leisure Person-Stays)



Relative to the U.S. as a whole and the Competitive Set, Idaho attracts a substantially larger share of young (18-34 year old) travelers. As a group, travelers age 18-34 are lowest in spending. Idaho attracts a lesser share of both travelers age 35-54 and those age 55 and older.

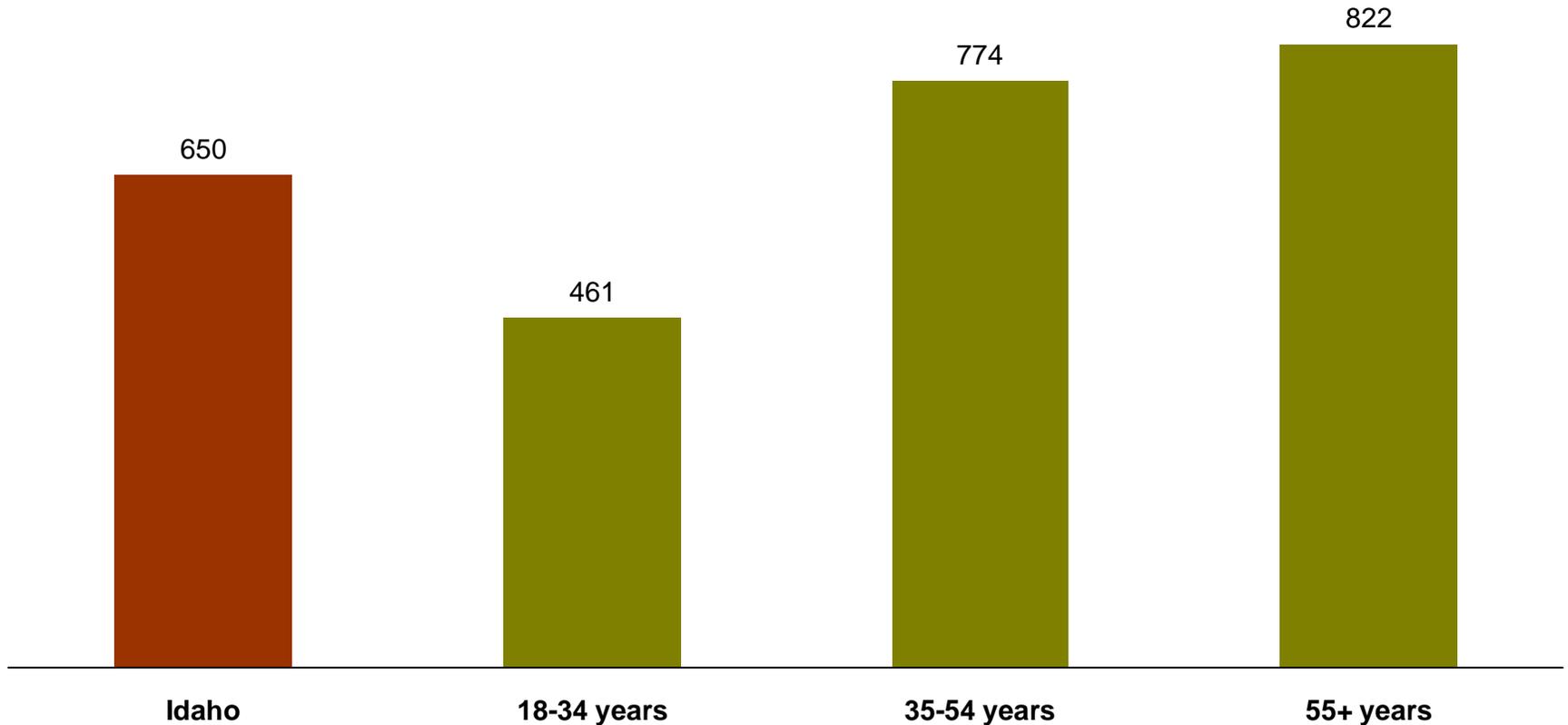
Compared to the U.S. overall, Idaho's competing states attracts more older travelers and fewer of the 35-54 year olds.



Idaho Average Party per Trip Spending by Age (2003-2005/\$ Overnight Leisure Stays)



Due to lower per trip spending, the dominant share of Idaho travel volume by young (18-34 year old) travelers has a negative impact on average trip spending.

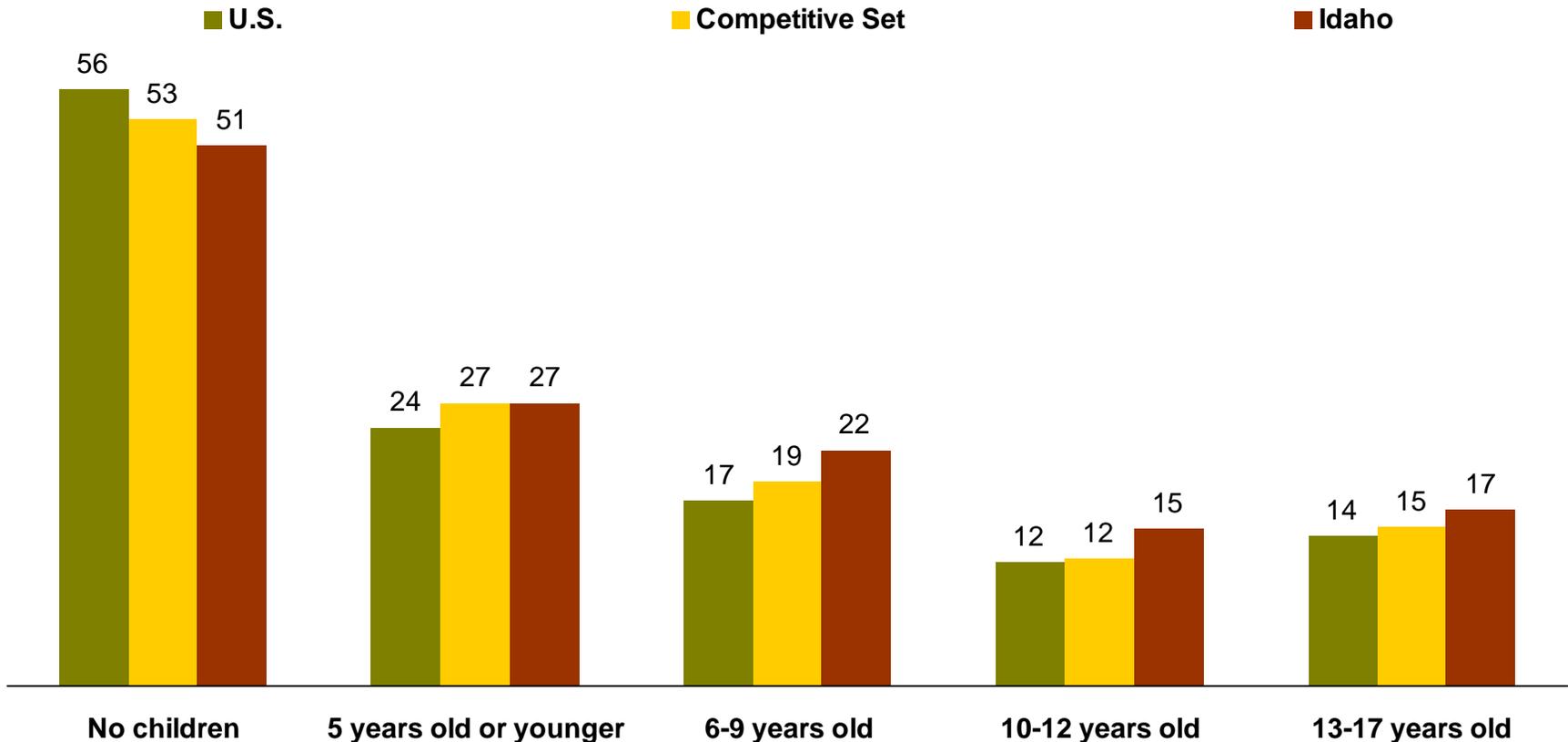


Distribution of Children in Household: U.S., Competitive Set, and Idaho (2004-2005/% of Overnight Leisure Person-Stays)



Idaho outpaces the U.S. and competing states in proportion of stays by travelers with children.

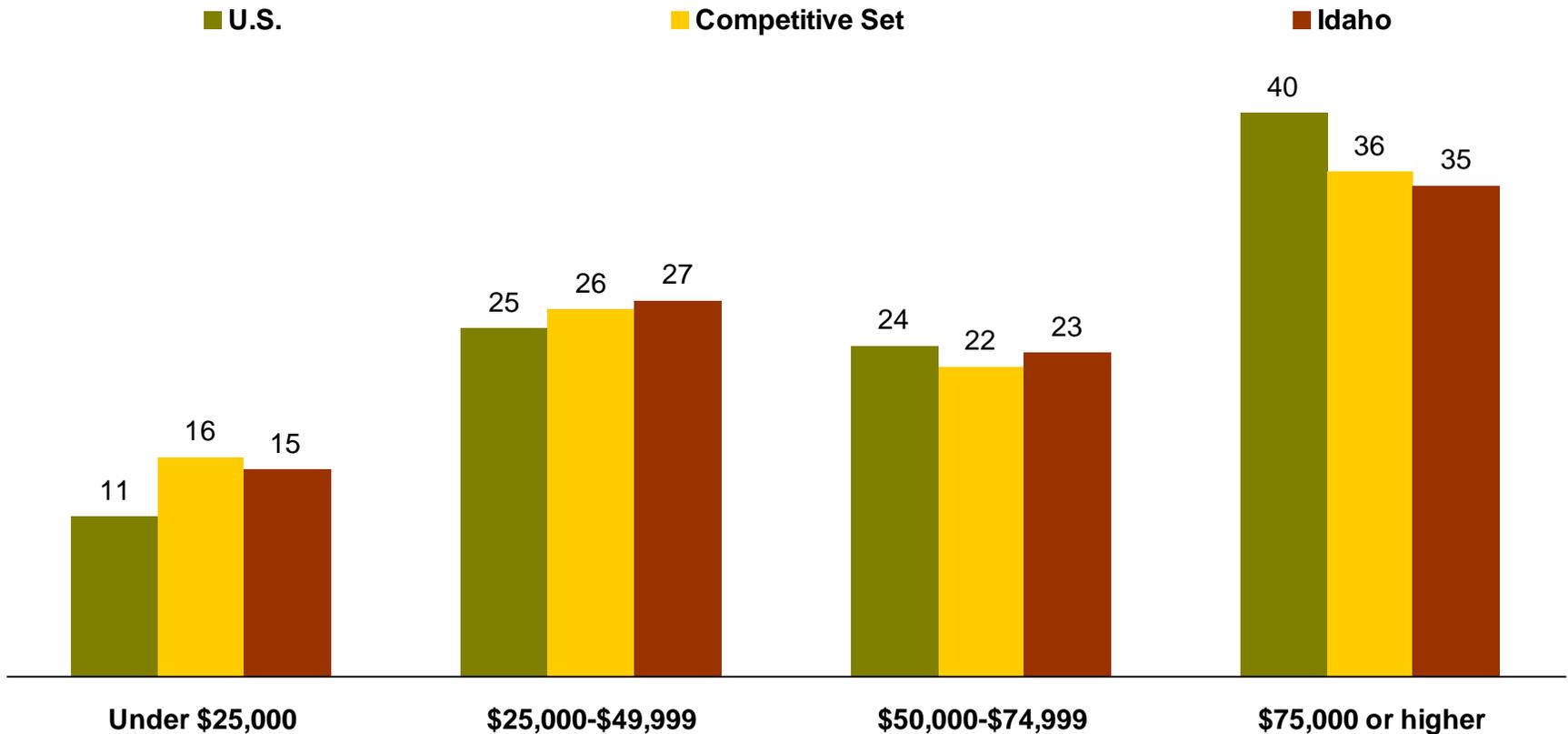
- Idaho's leads the U.S. in visitors with children in every age category.
- Idaho also tops competing states in proportion of travelers with children ages 6 and up.



Household Income Distribution: U.S., Competitive Set, and Idaho (2004-2005/% of Overnight Leisure Person-Stays)



Relative to the Comp Set and to the U.S. as a whole, Idaho has a much lower proportion of high income (\$75,000 or higher HHI) travelers.





DKS&A's lifestage analysis began in 2001 and continues in this report. Lifestage analysis combines three variables

- 1) age
- 2) household income, and
- 3) presence of children in the household

into one variable containing seven mutually-exclusive segments defined below. Because of the age component, the lifestage segments are "moving targets" from year to year.

Age: 18-34 Age of the household head.

- 1) Free No children under 18 in the household
- 2) Family One or more children under 18 in the household.

Age: 35-54 Age of the household head.

- 3) Free No children under 18 in the household
- 4) Lo Fmly Annual household income under \$50K and one or more children under 18 in the household.
- 5) Hi Fmly Annual household income \$50K or higher and one or more children under 18 in the household.

Age: 55+ Age of the household head.

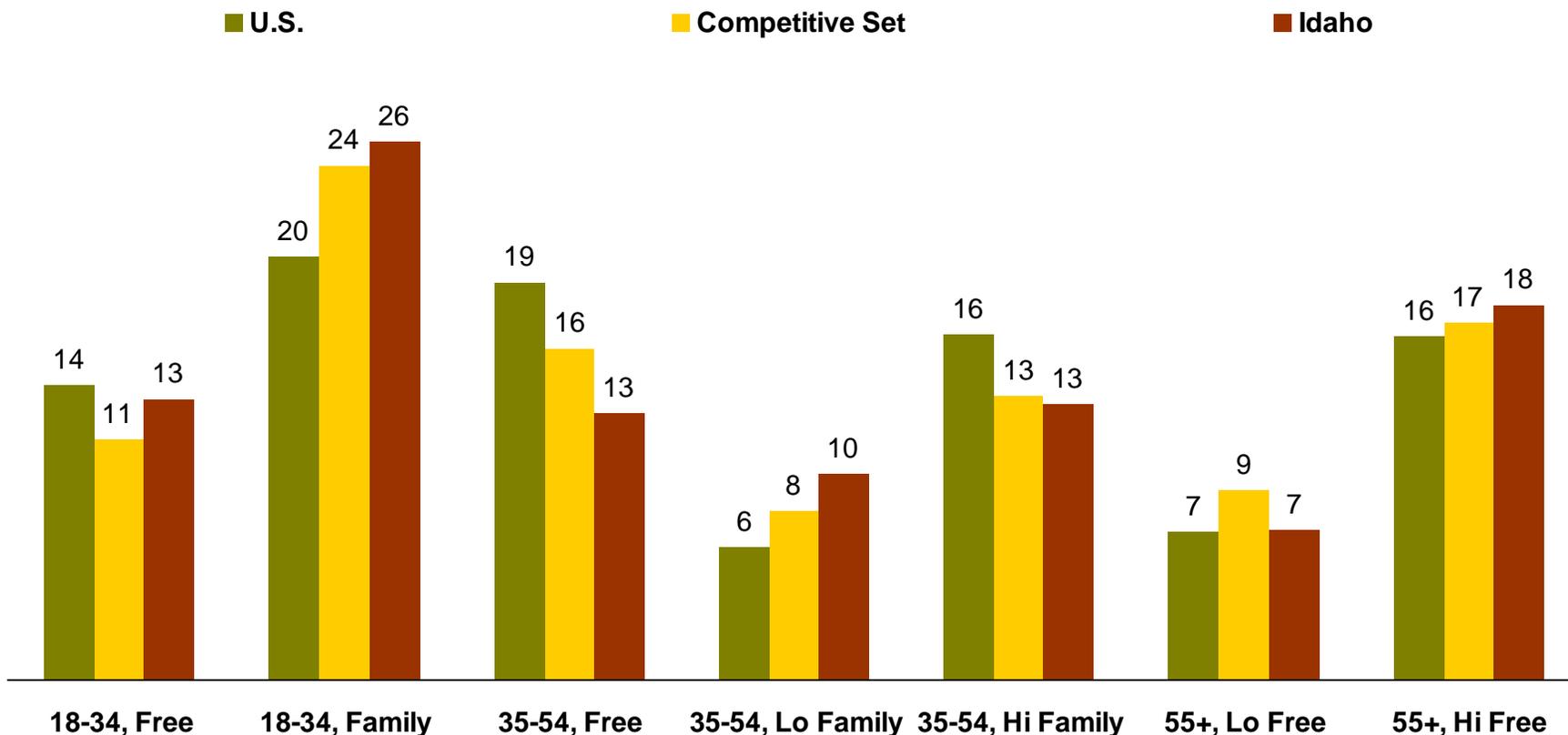
- 6) Lo Free Annual household income under \$50K and no children under 18 in the household.
- 7) Hi Free Annual household income \$50K or higher and no children under 18 in the household.

Lifestage Distribution: U.S., Competitive Set, and Idaho (2004-2005/% of Overnight Leisure Person-Stays)



Lifestage analysis combines three variables – age, children in the household, and household income – into one variable containing seven mutually-exclusive lifestages.

- The greatest proportion of Idaho visitors (26%) are in the '18-34 Family' Lifestage.
- Travelers aged 35-54 with children make up 23% of Idaho's Overnight Leisure base.

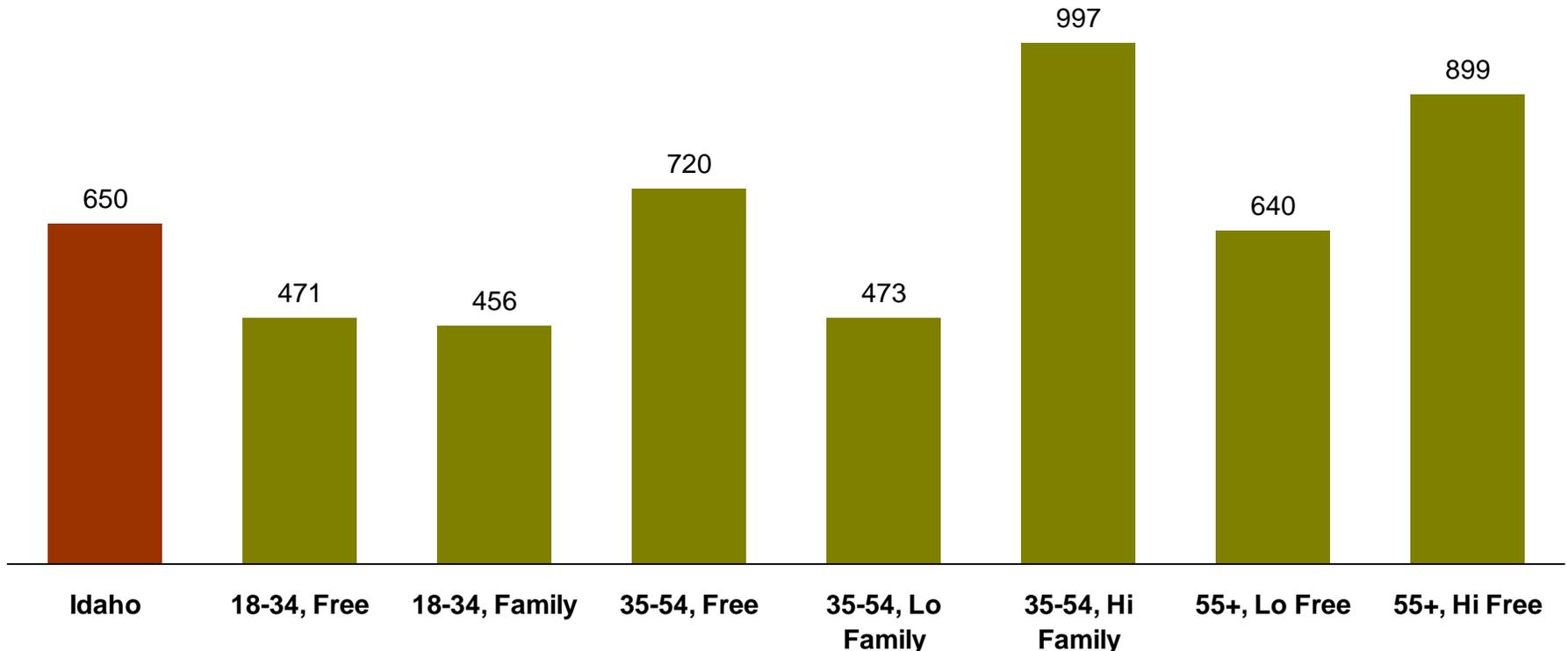


Idaho Average Party per Trip Spending by Lifestage: (2003-2005/\$ Overnight Leisure Stays)



Trip spending levels for 18-34 year olds is more than 25% below the Idaho average. This group holds a 35% share of Idaho Person-Stays. Growth in this Lifestage's share of Idaho travel has a negative impact on the overall economic impact of tourism.

- On the bright side, Idaho is high in Person-Stays by big spending 35-54 high income families.

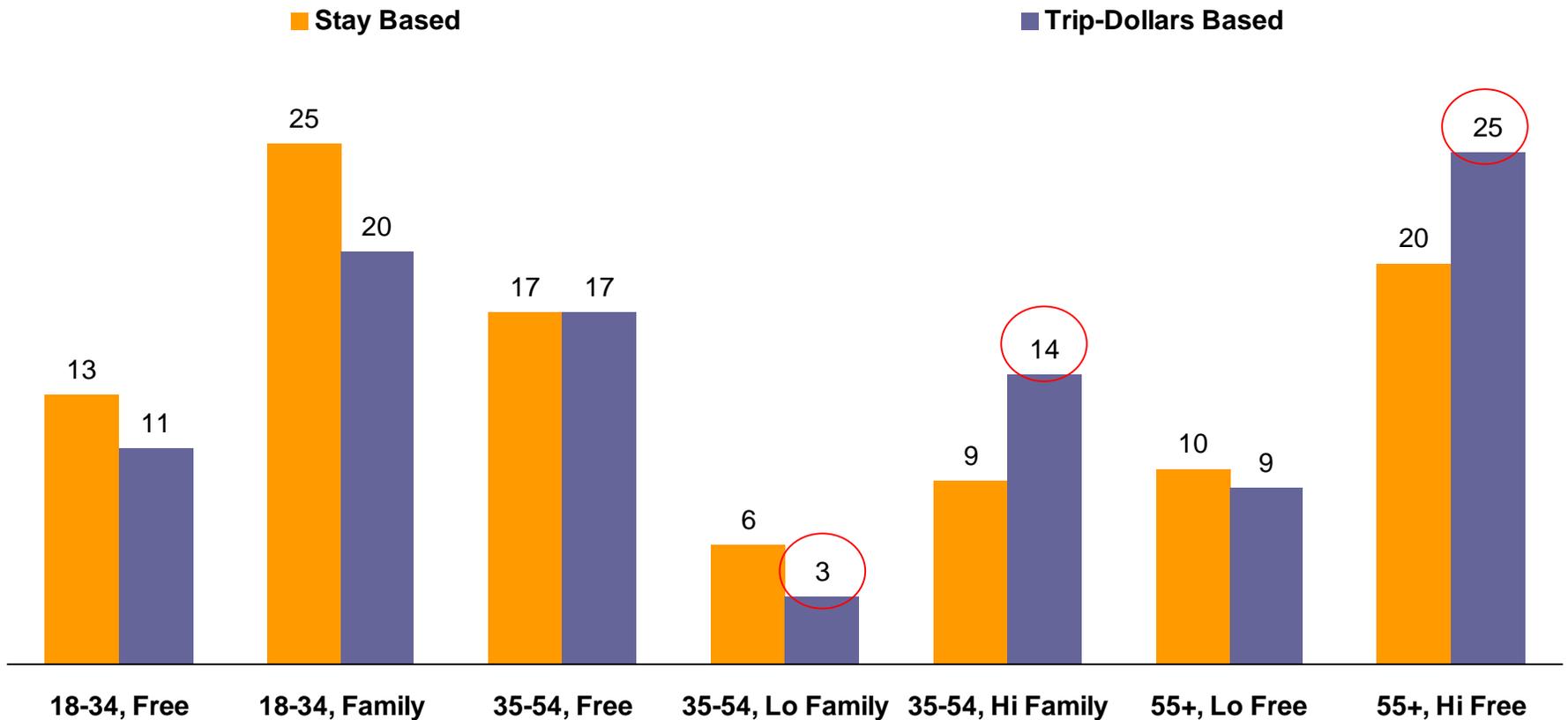


Idaho Lifestage Distribution (2003-2005/% of Overnight Leisure)



This view shows stay share opposed spending share for each Lifestage for the years 2003-2005. Low-spending 18-34 year olds account for 38% of stays and only 31% of Overnight Leisure spending. Families aged 35-54 account for 15% of stays and bring in 17% of Idaho Overnight Leisure dollars.

- High income travelers over age 55 contributed 25% to state tourism spending while accounting for only 20% of the stays.





With an increasing interest in generational behavior, DKS&A has added a Traveler Generation Analysis to help destinations understand the composition of their visitors in terms of the generations they represent. The analysis will supplement other demographic profiles (age and lifestage) by adding a means to target marketing messages to various generational segments.

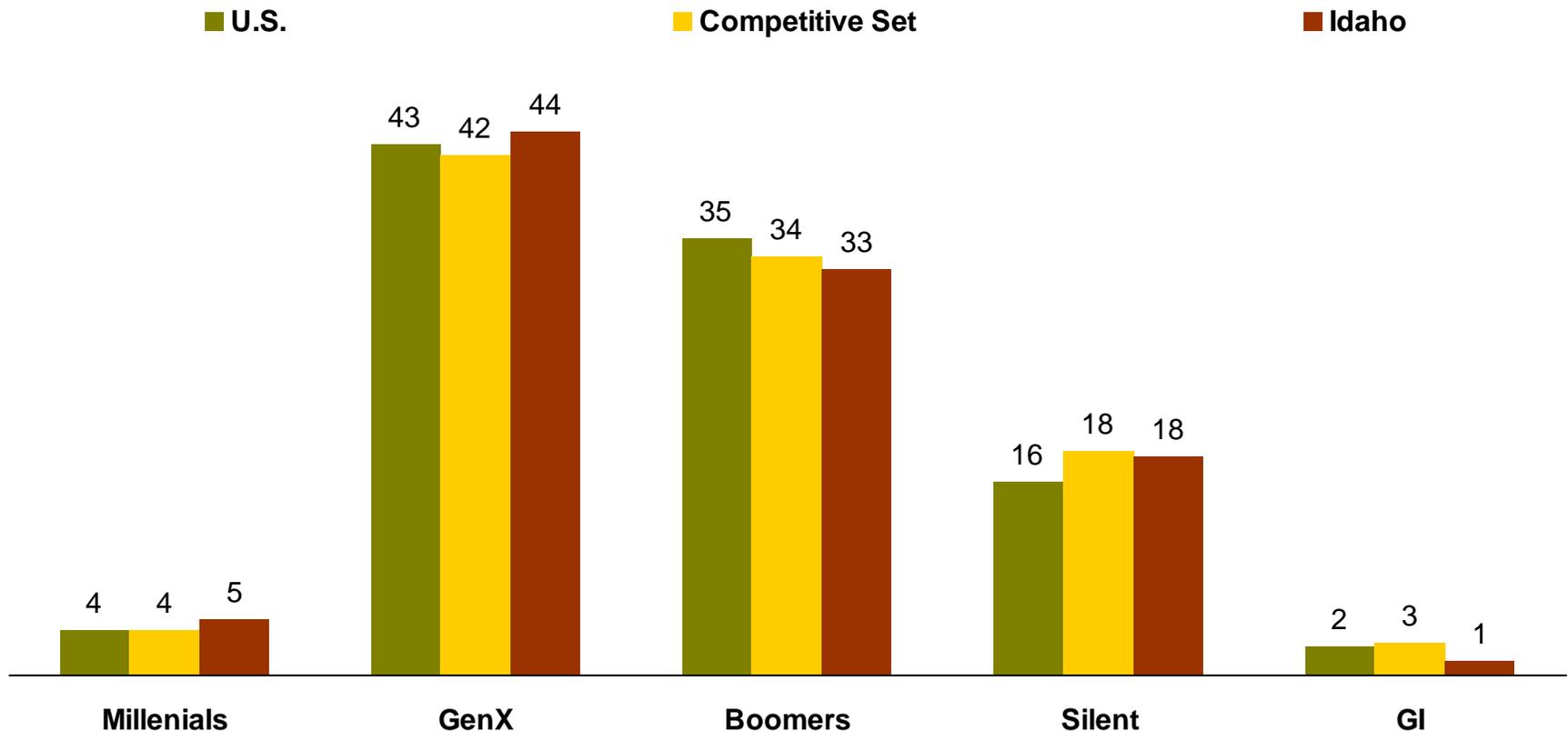
The following defines the generations by year of birth:

Millennial	After 1981
Gen X	1965-1980
Boomers	1946-1964
Silent	1930-1945
GI	1929 and earlier

Traveler Generation Distribution: U.S., Competitive Set, and Idaho (2004-2005/% of Overnight Leisure Person-Stays)



- Idaho receives more Gen X and Millennial generation travelers as a share of its base than the U.S. as a whole and Comp Set states.
- Conversely, Idaho's share of stays by Boomer, Silent and GI generation travelers is lower.

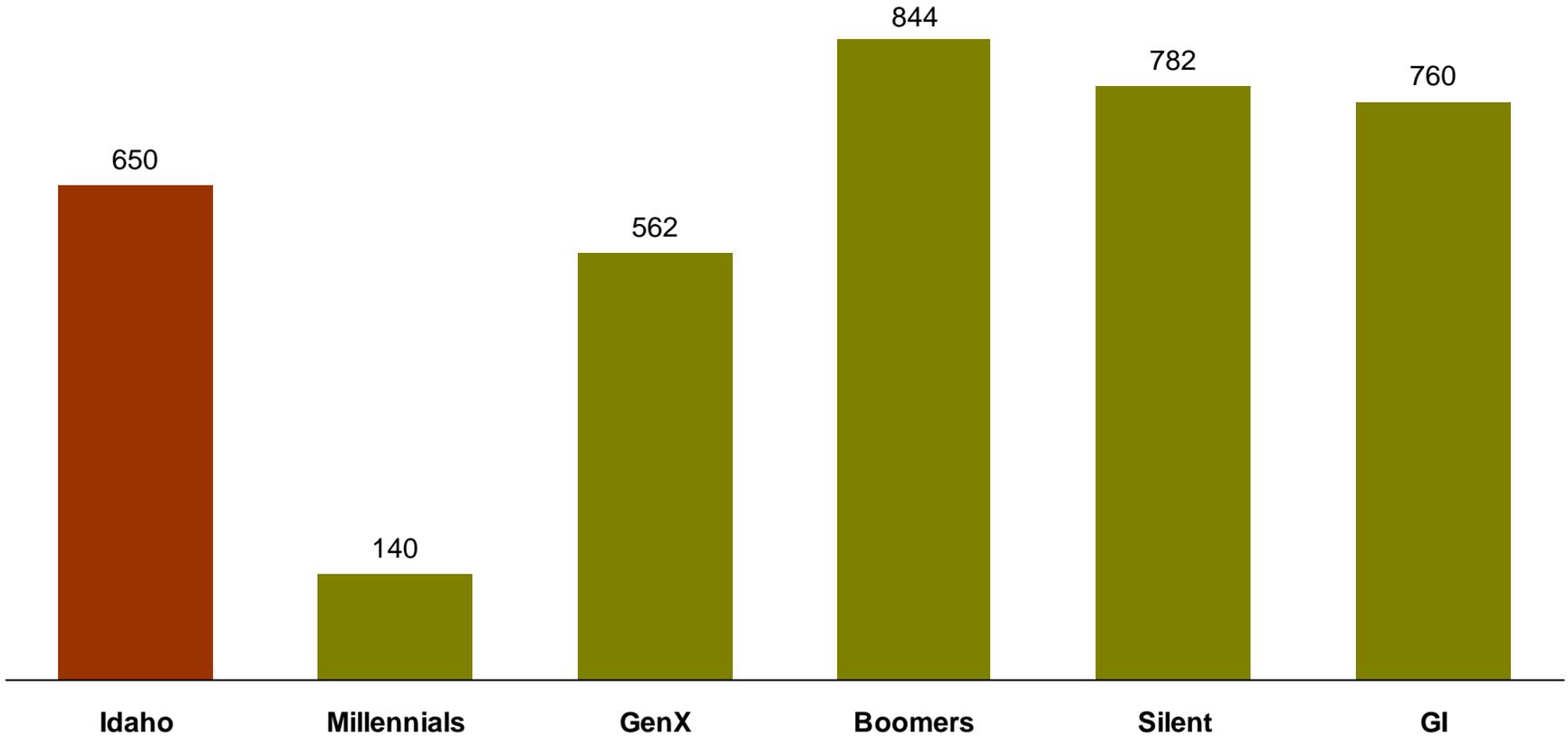


Idaho Average Party per Trip Spending by Generation: (2003-2005/\$ Overnight Leisure Stays)



Boomers represent the peak spending generation among Idaho travelers.

Growing shares of GenX and Millennial travelers squeeze out mature travelers, inhibiting Idaho per trip party spending.



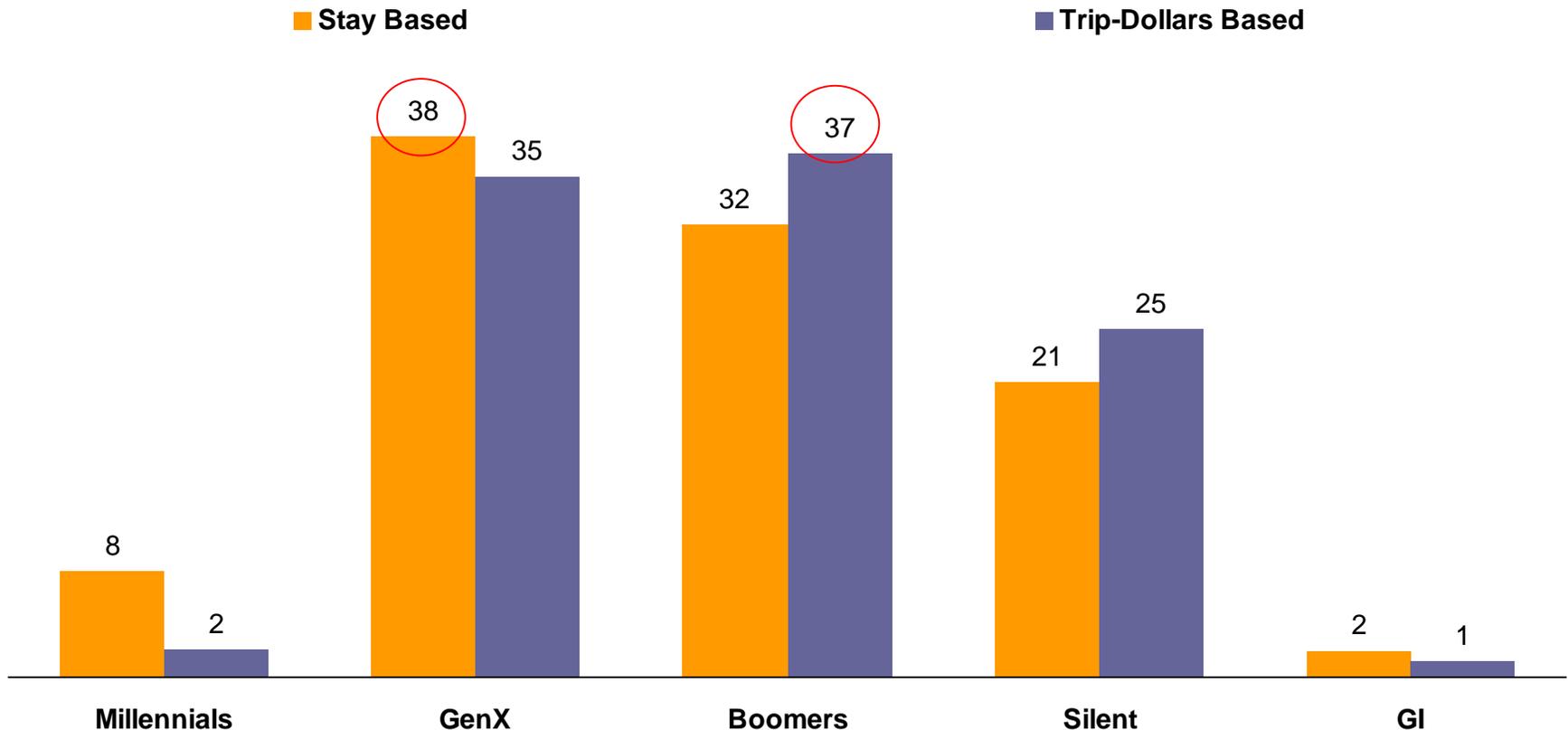
Idaho Generation Comparison (2003-2005/% of Overnight Leisure)



Combining years 2003 through 2005, this graph shows disparity in spending by generation.

The lighter bar, on the left, represents proportion of total stays by each generation. The darker bar, on the right, indicates share of total trip spending.

Although Gen Xers are responsible for a greater proportion of stays (38%), Boomers are the top contributors on spending (37%).

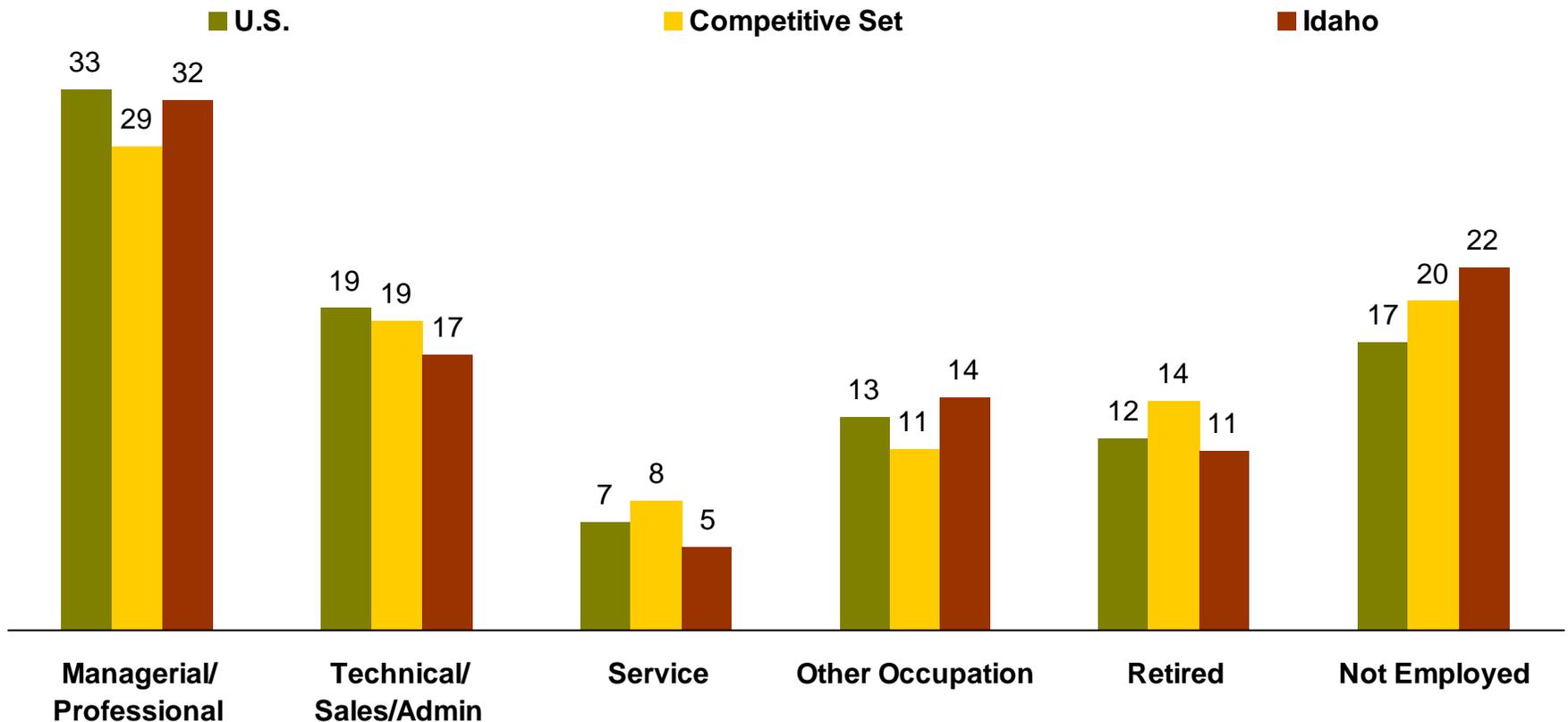


Occupation Distribution: U.S., Competitive Set, and Idaho (2004-2005/% of Overnight Leisure Person-Stays)



Compared with the Competitive Set, Idaho attracts a larger proportion of *Managerial/Professional* workers. Conversely, Idaho attracts a slightly higher share involved in *Other Occupations* which includes Craftsmen, Tradesmen, Laborers and Agricultural workers.

- In keeping with its younger traveler base, Idaho has the same proportion of *Retired* travelers as the U.S.





Idaho's visitor profile differs from typical U.S. and Competitive Set traveler characteristics in a number of ways:

Age

The greatest proportion of Idaho visitors are in the 18-34 age group (39%).

- It is also above the average share of 18-34 U.S. and Competitive Set travelers (34% and 36%, respectively).
- Subsequently, Idaho has a much lower proportion of travelers aged 35-54 (35%) as compared to the U.S. (41%) and the Comp Set (37%).

Generation

Idaho share of Gen X travelers (44%) tops that of the U.S. and Comp Set.

- Idaho also tops the Comp Set in Millennial generation travelers with 5%.
- Unfortunately, this means that Idaho suffers a relative deficit in higher spending Boomer travelers.

Children in Household

Over half of Idaho visitors (49%) have children in the household. The Idaho proportion is much higher than the averages for the U.S. (44%) and the Competitive Set (47%).



Income

Idaho has a much lower proportion of visitors from households with incomes greater than \$75,000 (35%) as compared with the U.S. as a whole (40%). However, the Comp Set has only a slight advantage (36%) in share of high income visitors.

Lifestage Analysis

Lifestage combines three variables – age, children in the household, and household income – into one variable containing seven mutually-exclusive Lifestages.

The greatest proportion of Idaho visitors are in the ‘18-34 Family’ Lifestage.

Travelers aged 35-54 with children make up 23% of Idaho’s Overnight Leisure base. Two-thirds of these (15% of total) are from households with incomes of \$50K and above.

- With the highest per-trip spending of any Lifestage (\$997), high income 35-54 year old family travelers account for 14% of Idaho trip spending on only 9% of stays.
- High income travelers age 55 and older also contribute greatly to the economic impact of travel to Idaho. With only 20% of stays, 55+ high income travelers account for 25% of Idaho traveler dollars.

Occupation:

Idaho trails the Comp Set and U.S. average in Managerial/Professional visitors.

- Idaho leads with 14% of visitors employed in *Other Occupations*, more than double the Comp Set level. This category includes Tradesmen, Laborers and Agricultural workers.



- Purpose of Stay*
- Party Spending per Trip*
- Party Size*
- Party Composition*
- Stay Length*
- Daily Spending (per person)*
- Activities*
- Travel by Quarter*
- Accommodation Type*



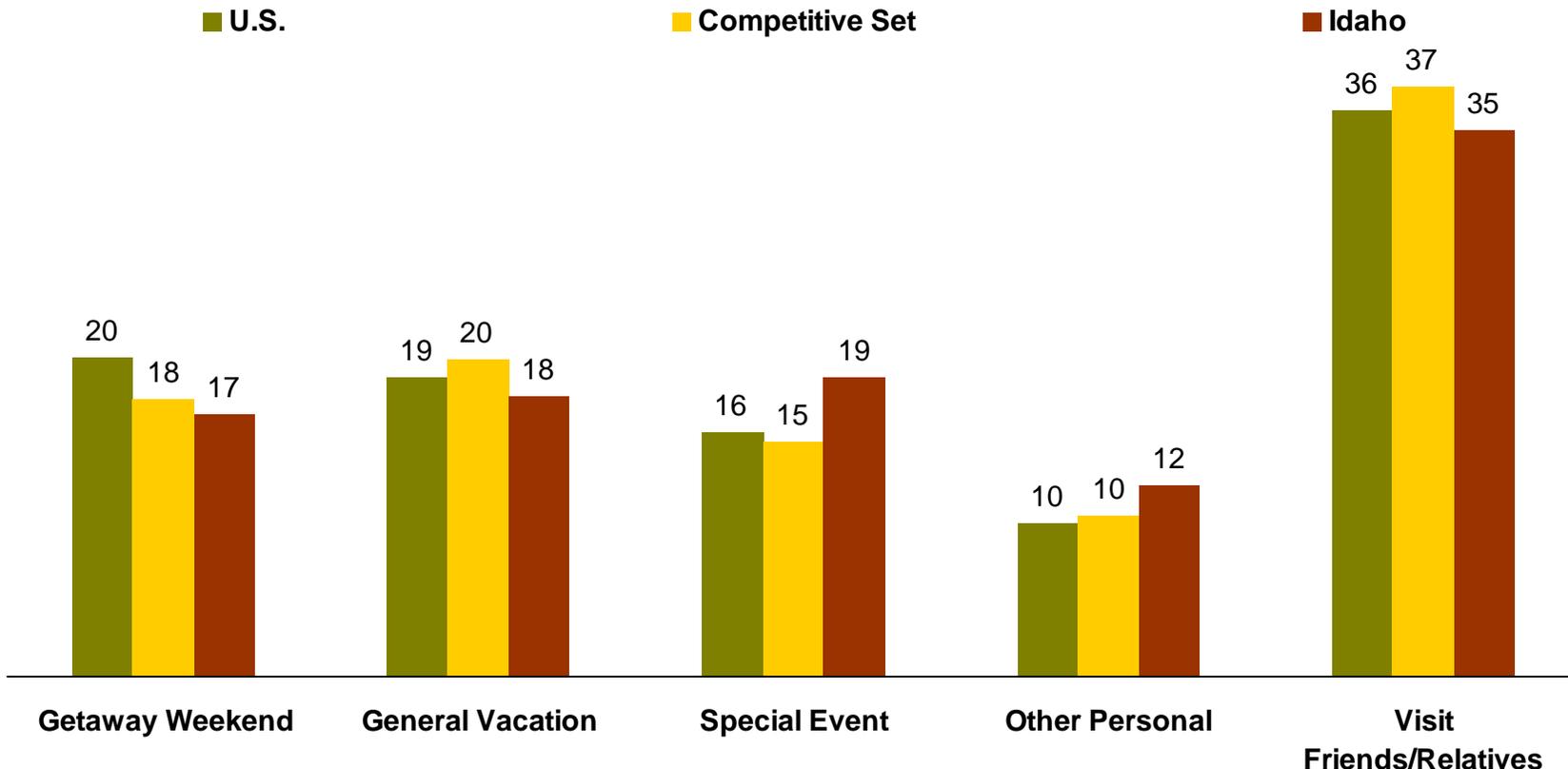
- The Positioning section will help a destination compare its tourism product attributes against the competition. These attributes include a traveler's purpose of visit, Stays composition, activities participated in at the destination, and repeat visitation. This intelligence highlights a destination's product strengths that can be promoted to attract new travelers or repeat visitors. It can also help destinations better differentiate themselves in a competitive travel market.
- The following bullet points will define some details that will be found in the *Positioning* section.
 - *Repeat visitation* represents the number of visits to the destination in the past three years, including the visit being reported.
 - *Visit Friend/Relative (VFR)* is a visitor's purpose of stay and represents visiting friends and relatives.
 - Stays composition
 - *Family Stays* is defined as one or more adults accompanied by one or more persons under age 18. The child does not necessarily have to live in the household.
 - *MM/FF Stays* include either two females or two males from different households traveling together
- Five attributes (purpose of stay, party composition, stay length, trip timing, and accommodation type) include an additional analysis in this section that compares the segment's share of the destination's total visitors compared to their spending contribution in the market. This analysis is illustrated by comparing the proportions of total travel using a Person-Stays weighting versus a trip-dollars weighting. Trip-dollars weighting reflects the total Stays spending made by all party members at the destination.

Purpose of Stay Distribution: U.S., Competitive Set, and Idaho (2004-2005/% of Overnight Leisure Person-Stays)



A high proportion of travel to 'Visit a Friend or Relative' (VFR) signifies travel market weakness. These travelers often skip paid lodging and spend less in general than those traveling for other purposes.

Idaho received lower share of VFR than the U.S. or Comp Set, however; *Special Event* and *Other Personal* travel were more dominant in Idaho.

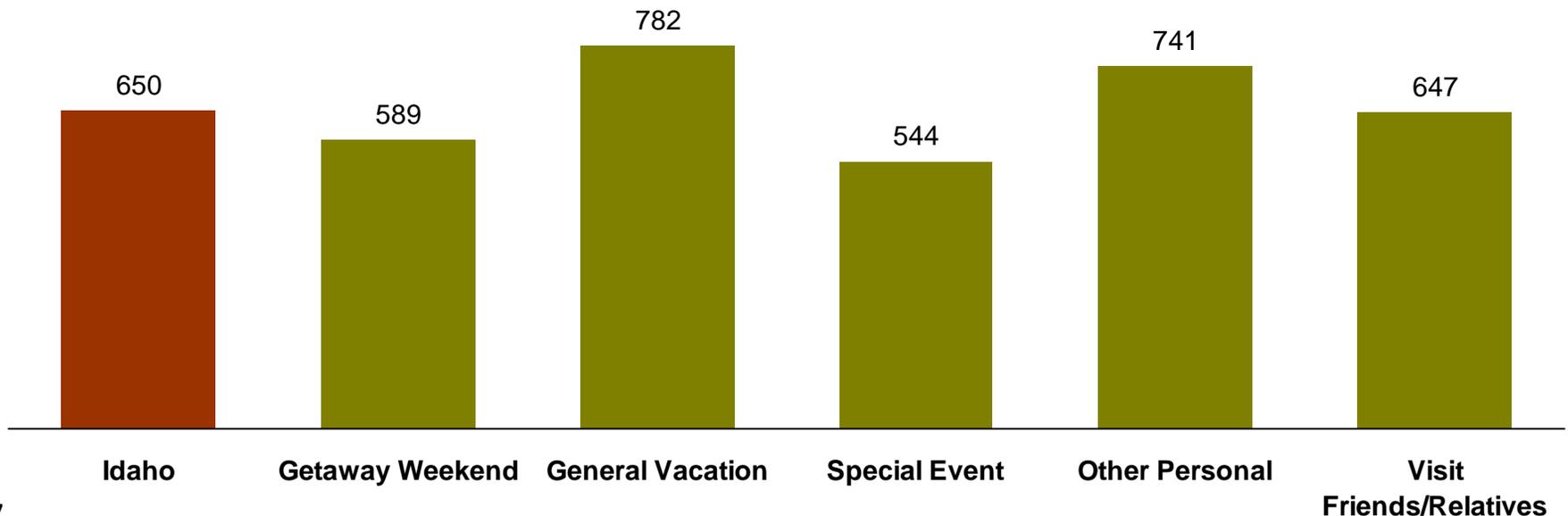


Idaho Average Party per Trip Spending by Purpose of Stay: (2003-2005/\$ Overnight Leisure Stays)



Higher trip spending by *General Vacation* travelers is evident in the Idaho trip spending distribution. It is noteworthy that spending on trips to *Visit Friend and Relatives (VFR)* is relatively high. In many competitive scenarios, *VFR* is quite low.

Getaway Weekend trip spending could potentially be improved, however the opportunity to drive spending growth through *Getaway Weekends* is limited due to shorter lengths of stay.

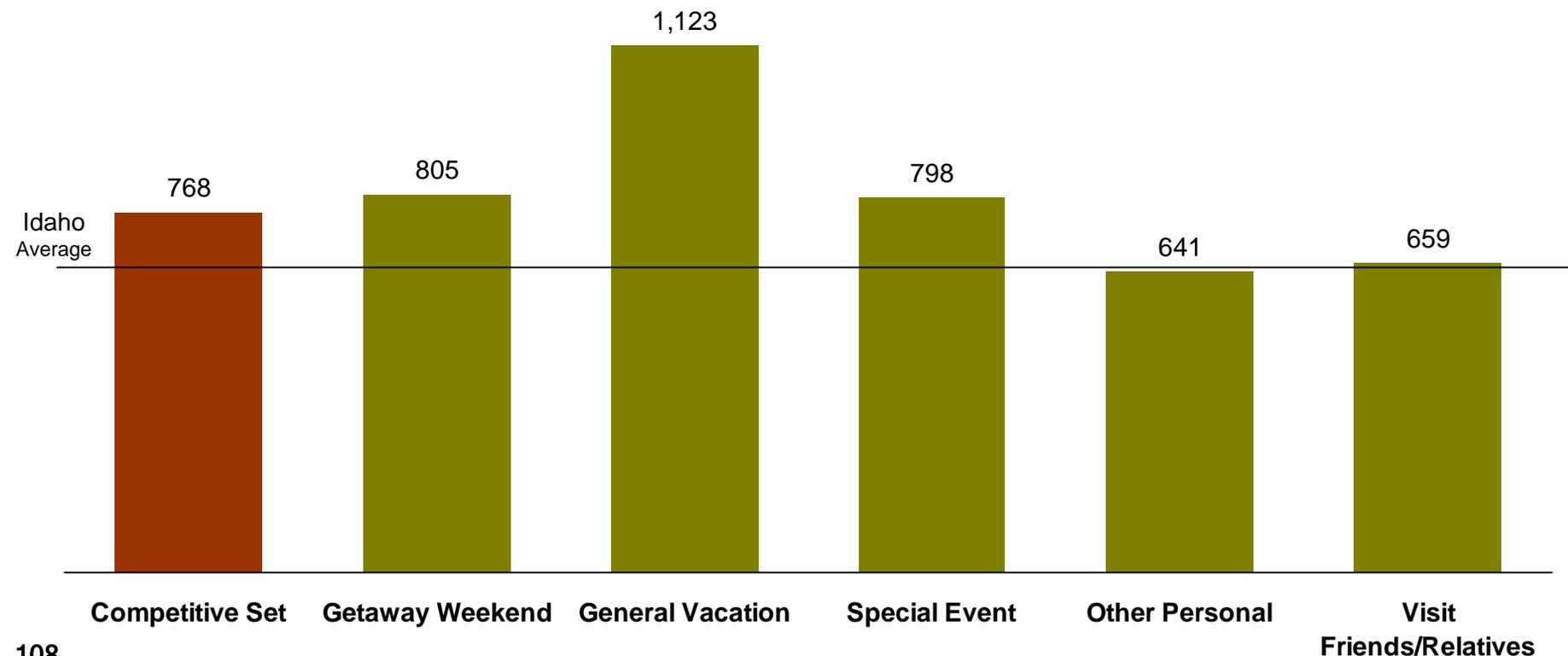


Competitive Set Average Party per Trip Spending by Purpose of Stay: (2003-2005/\$ Overnight Leisure Stays)



The spending profile of competing states is provided for comparative purposes. While spending levels are higher across the board, higher *General Vacation* and *Getaway Weekend* trip spending carries the weight of the Comp Set trip spending advantage.

Relative to total spending, Comp Set *VFR* and *Special Event* spending is much lower than Idaho's.

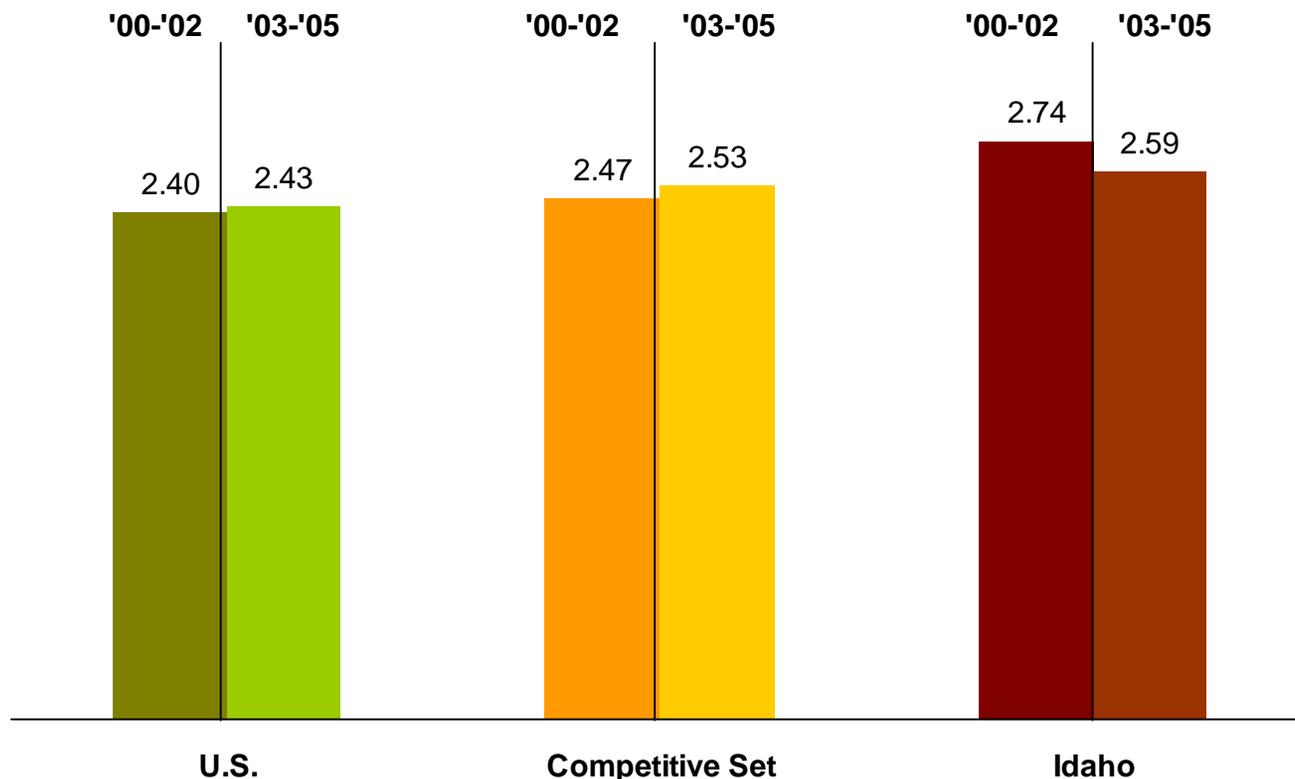


Party Size Overview: U.S., Competitive Set, and Idaho (2000-2005/ % Overnight Leisure Stays)



Overnight Leisure party sizes grew slowly from '00-'02 to '03-'05 for the U.S. and for the Comp Set as a whole. However, Idaho party size fell by 5.5% from 2.74 to 2.59. This can have a substantial impact on travel expenditures, as number of persons on a trip is a primary driver of trip spending.

Small changes in average party size produce large differences in total Person-Stays (travelers), independent of changes in total Stays (visits). On a base of 3.5 million Overnight Leisure Stays, a one-tenth difference in average party size produces a difference of 350,000 travelers.

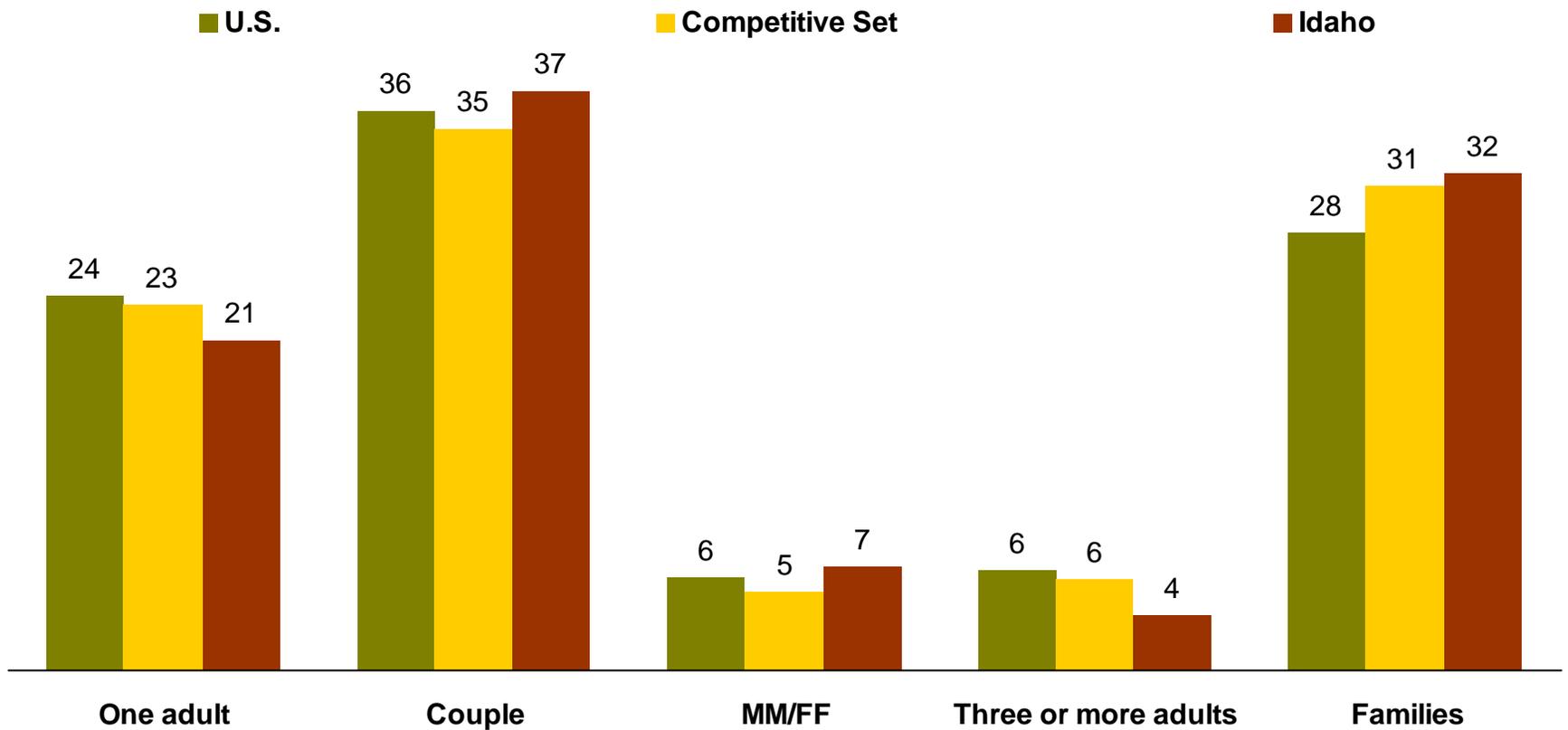


Party Composition Distribution: U.S., Competitive Set, and Idaho (2004-2005/% of Overnight Leisure Stays)



Party composition has a strong impact on party size. Idaho has an advantage over the U.S. and the Comp Set in *Couples* and *Family* travel, a factor that leads to higher travel party size.

The trade off is felt in lower Idaho share of stays by parties of *One Adult* and *Three or more adults*.

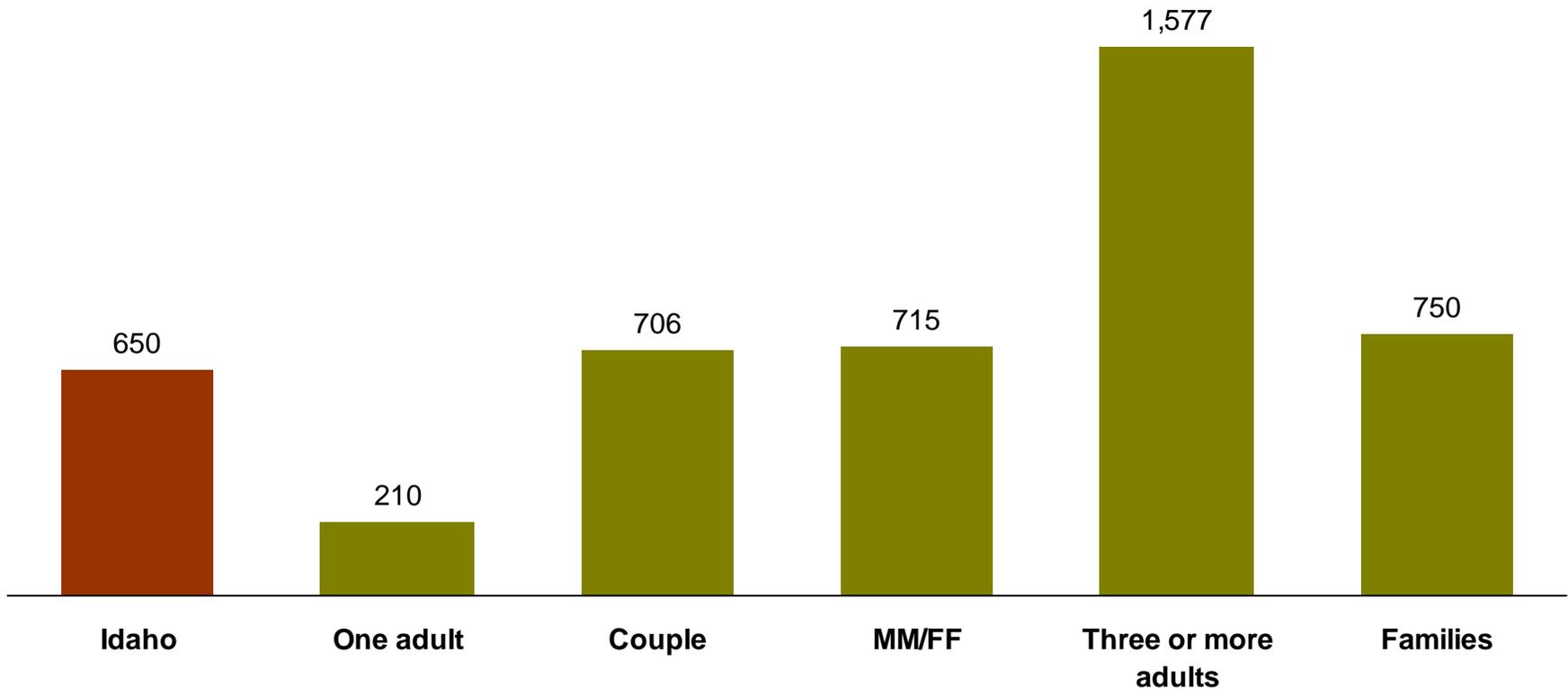


Idaho Average Party per Trip Spending by Traveling Party: (2003-2005/\$ Overnight Leisure Stays)



One adult trips account for 1 in 5 Idaho stays and are particularly low in spending.

- Trip spending by parties of *Three or more* adults is roughly 2.5 times the Idaho average. Unfortunately, only 3% of Idaho trips involve parties of this type versus 6% nationwide.
 - Increasing *Three or more* adult trips is one route to increasing economic impact of travel.

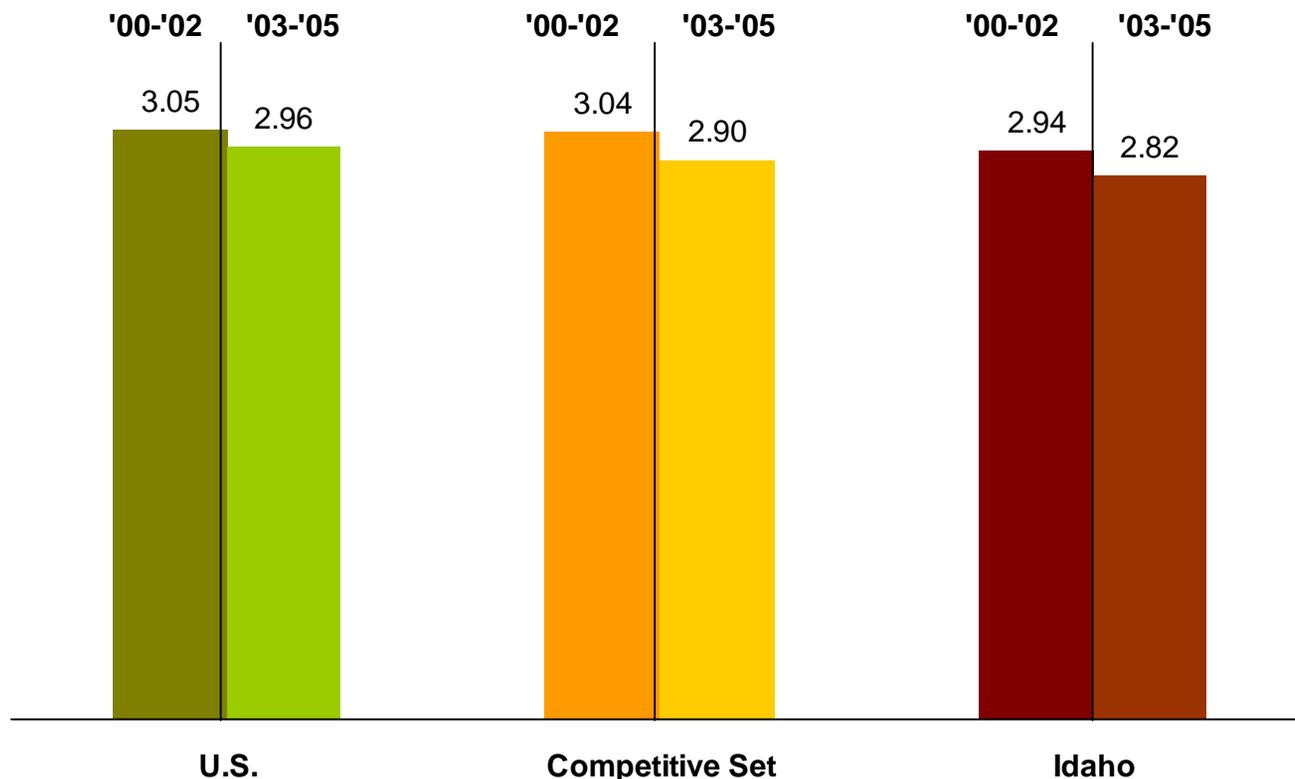


Stay Length Overview: U.S., Competitive Set, and Idaho (2000-2005 Overnight Leisure Stays)



Length of Stay is down for 2003-2005 over 2000-2002 for the U.S. (-3%) and the Comp Set (-4.6%) as well as for Idaho (-4.1%).

This decline is due in part to Overnight Leisure stay length that spiked after September 11, 2001.

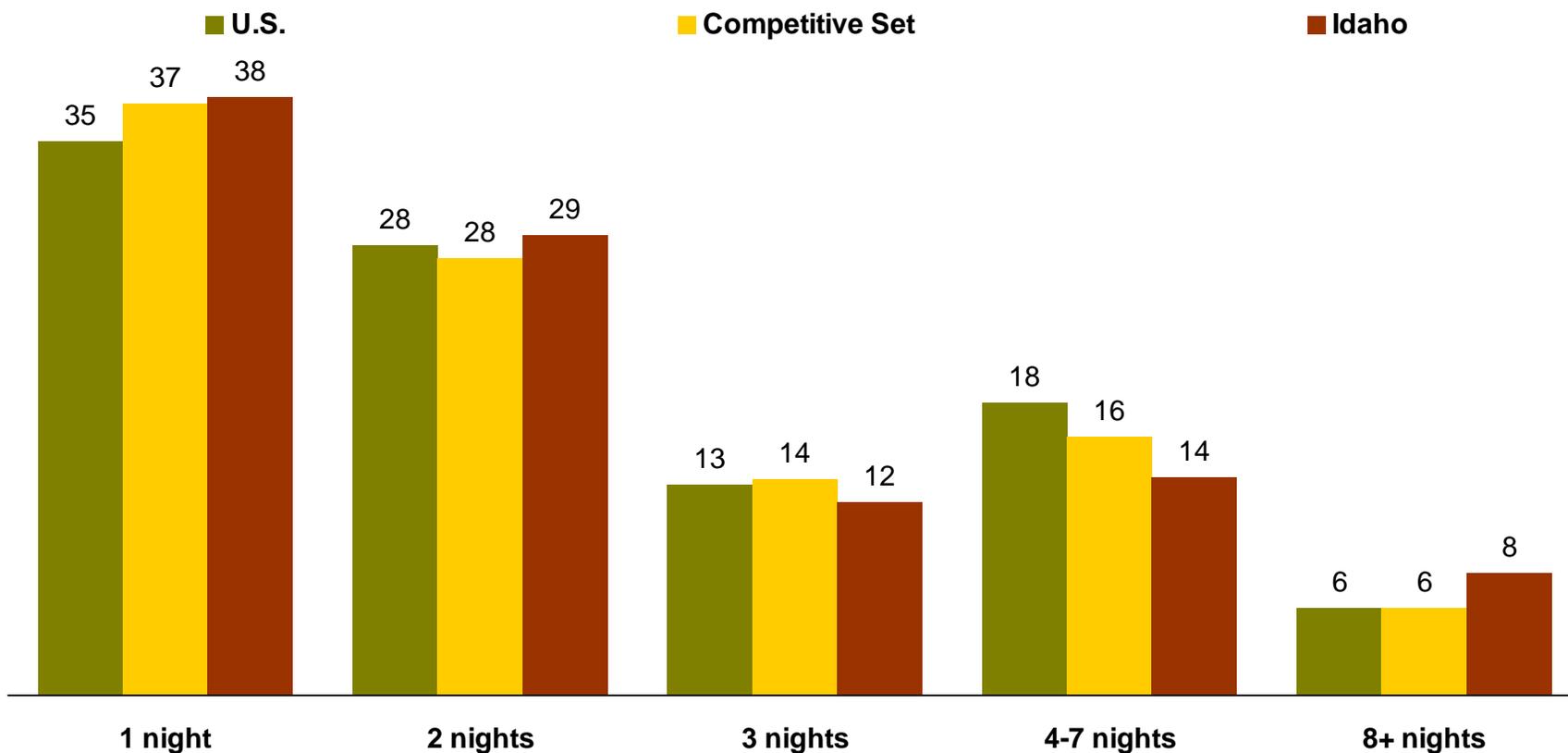


Stay Length Distribution: U.S., Competitive Set, and Idaho (2004-2005/% of Overnight Leisure Stays)



For 2004-2005, Idaho has a high proportion of 1 night trips.

Excess share of 1 night trips has a detrimental effect on travel volumes as well as visitor spending.



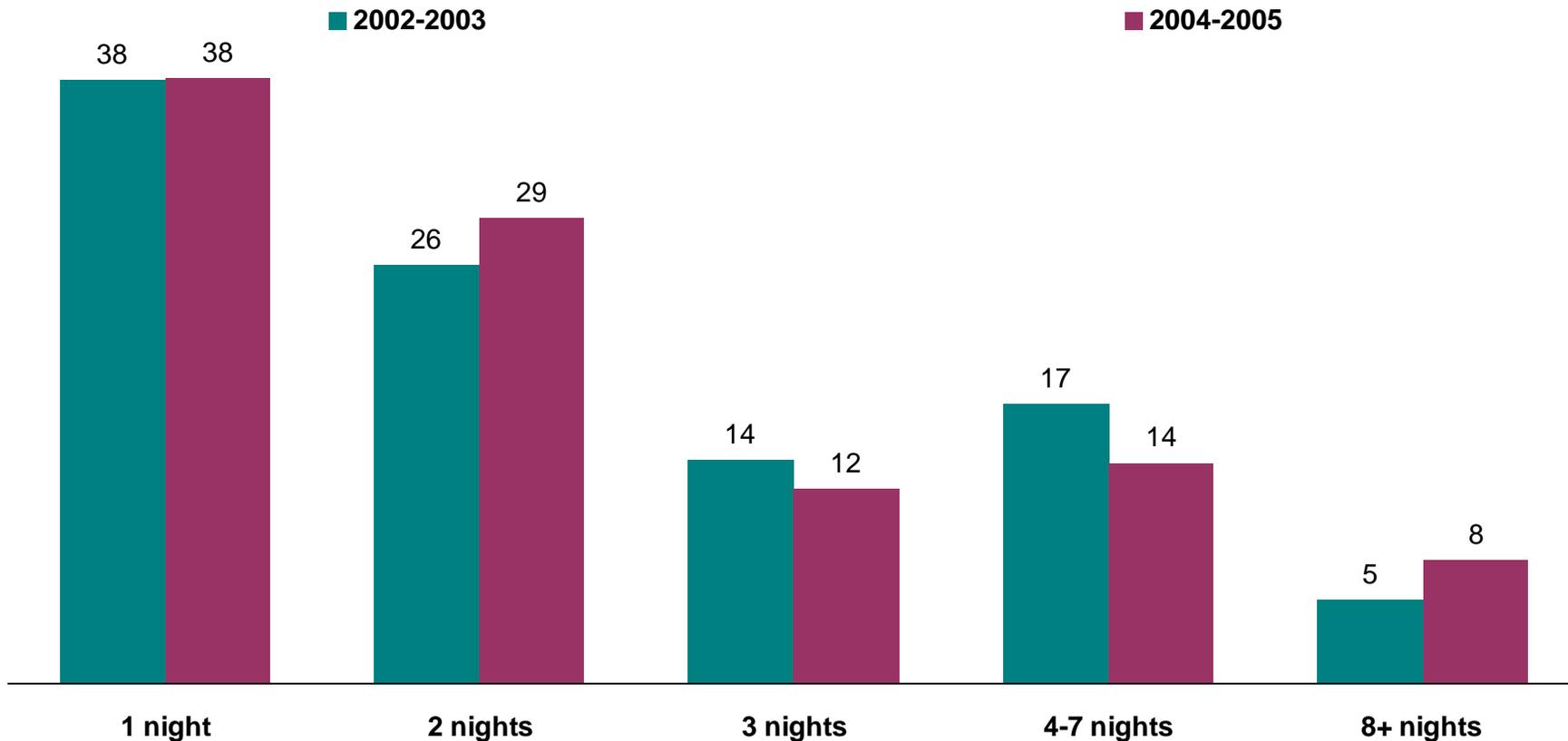
Stay Length Distribution: Idaho

(2002-2003 vs. 2004-2005) % of Overnight Leisure Stays



Changes in Idaho travel patterns are most evident in the redistribution of stay lengths.

- Conversion to 8+ night stays while 1-night stays are stable is a positive for Idaho.
- However, 3-7 night stays, at the heart of the family vacation, have fallen by 5% as a share of total Stays. Reclaiming 3-7 night stays will strongly impact Idaho tourism's bottom line.

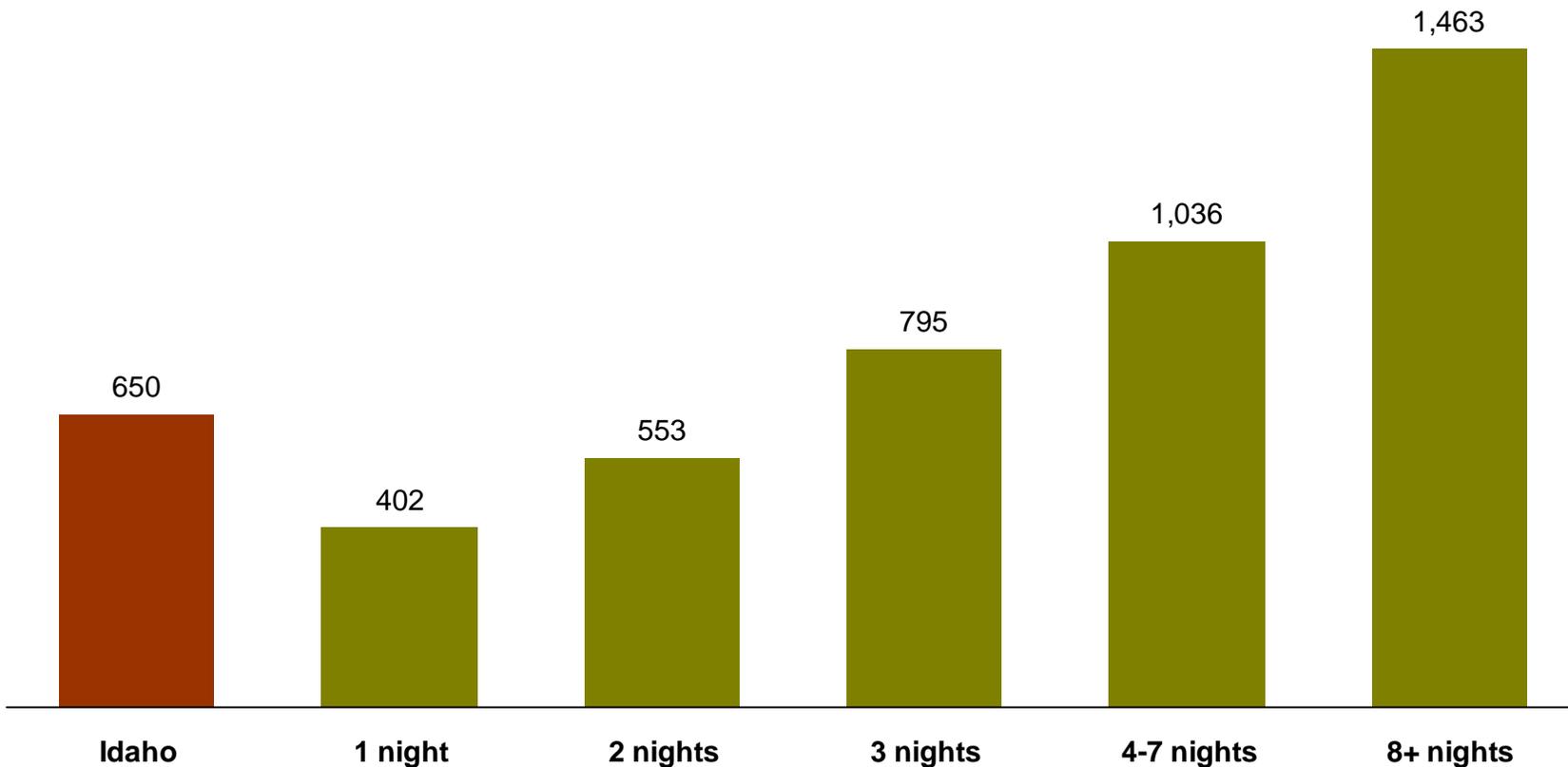


Idaho Average Party per Trip Spending by Stay Length: (2003-2005/\$ Overnight Leisure Stays; incl. Transportation)



As expected, trip spending increases in direct proportion to stay length.

- Building length of stay incrementally, especially among short stay travelers (i.e. increasing stay from 1 night to 2), will impact Idaho tourism by adding dollars to the State tourism total.
- Stays of three nights or longer have the greatest positive impact on Idaho travel spending.

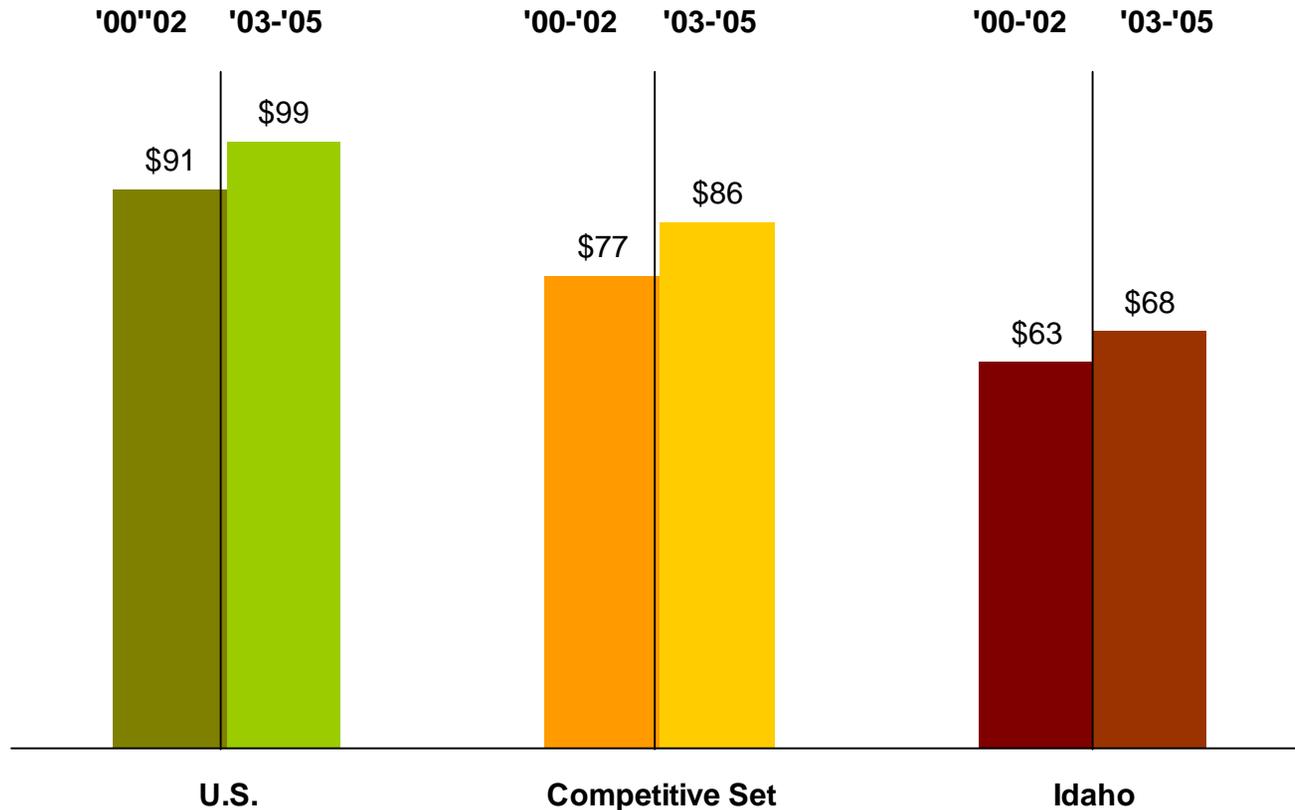


Total Average Daily Spending Per Person: U.S., Competitive Set, and Idaho (2000-2005/ \$ Overnight Leisure Person-Days)



Personal daily spending on Overnight Leisure travel is up 8.5% for the U.S. from 2000-2002 to 2003-2005. However, the competitive set grew personal daily spending by 11.4% in that period.

- Idaho per person daily spending is up at the same pace as U.S. spending.
- Thus Idaho drops further behind the Comp Set, yielding a 20% gap in daily traveler spending.

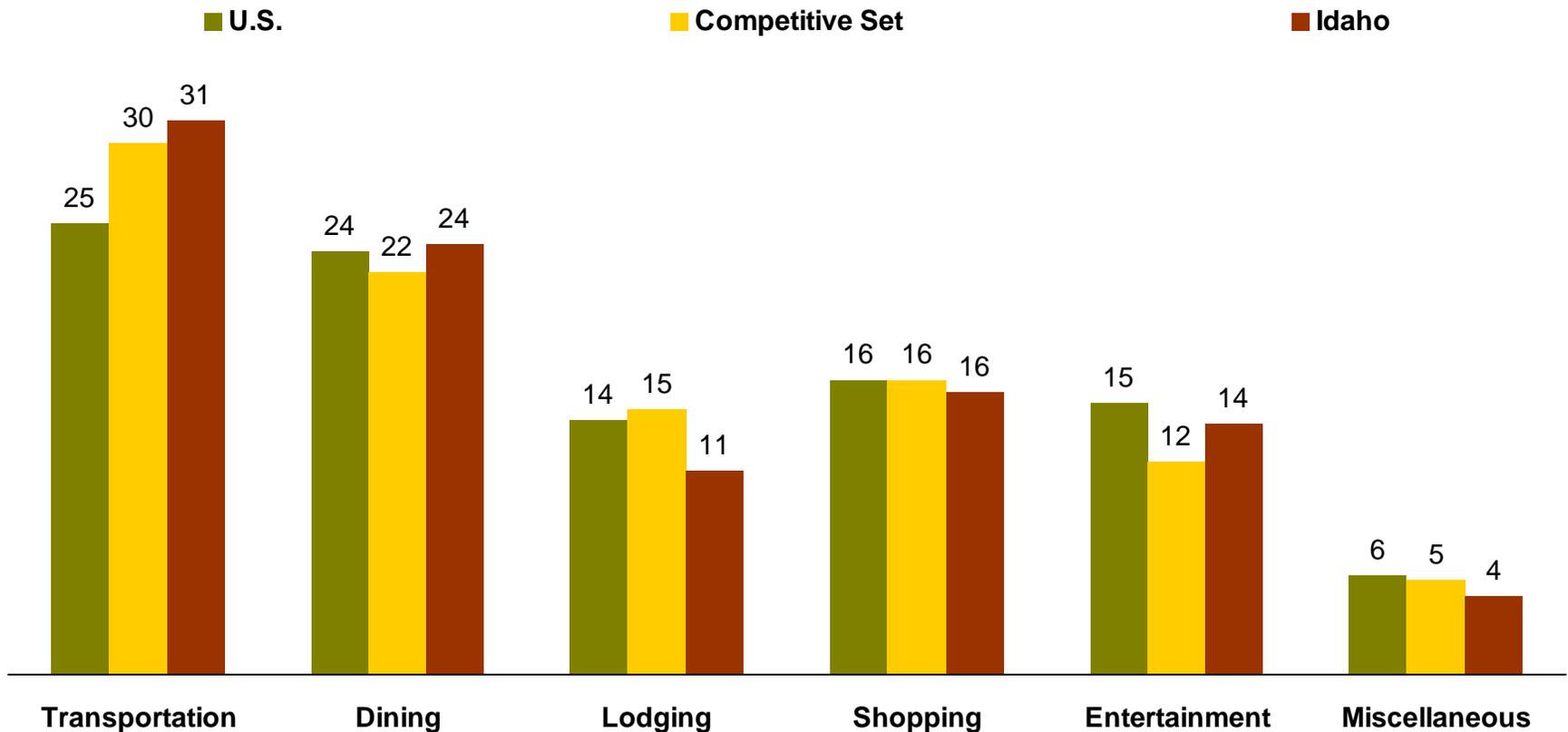


Average Daily Spending per Person by Spending Category: U.S., Competitive Set, and Idaho (2004-2005/% Overnight Leisure Person-Days)



Relative to the Comp Set and U.S. travelers in general, Idaho travelers economize on *Lodging* and *Dining* expenses and splurge on *Entertainment* as a proportion of their daily budget.

- *Transportation* is especially high given Idaho traveler's lower daily out of pocket expenses.



Top Activities at the Destination (2003-2005/% of Overnight Leisure Person-Stays)



The following two charts show activities in which visitors participated at the destination on the trip. Data are sorted in descending order by Idaho visitors. Participation rates well above the U.S. averages are highlighted.

Sightseeing, Dining, Shopping and *Entertainment* are enjoyed by many travelers at most destinations. Idaho has participation rates well above the U.S average on *Camping, Other Adventure Sports, Hiking & Biking, Boating & Sailing, Beach/Waterfront* (which may include whitewater boating), *Snow Skiing* and *Nature/Eco-Tourism*, indicating these items as keys to the states unique identity as a destination.

	U.S.	Comp Set	Idaho
Sightseeing ¹	26%	31%	24%
Dining ¹	31%	25%	23%
Shopping ¹	25%	22%	21%
Entertainment ¹	23%	17%	16%
Camping	4%	11%	12%
Hike, Bike	4%	9%	10%
National or State Parks	8%	16%	8%
Night Life	10%	4%	8%
Other Adventure	2%	4%	6%
Nature / Eco-Tourism	4%	5%	6%

Top Activities at the Destination (con't) (2003-2005/% of Overnight Leisure Person-Stays)



The remaining activities are enjoyed by a small proportion of Idaho visitors.

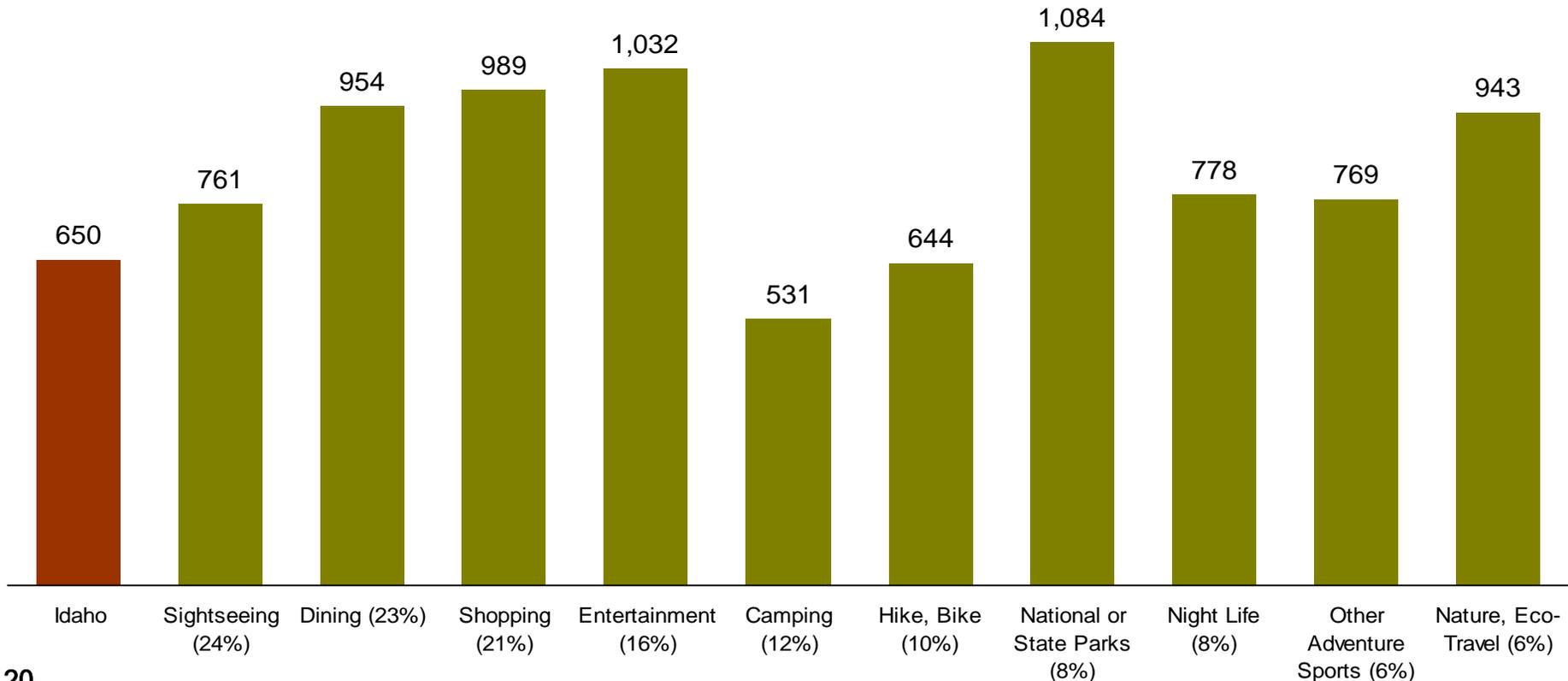
	U.S.	Comp Set	Idaho
Beach/Waterfront	10%	11%	6%
Hunt, Fish	4%	5%	5%
Concert, Play, Dance	6%	4%	5%
Visit Historic Site	7%	7%	5%
Boat, Sail	2%	3%	4%
Watch Sports	5%	3%	4%
Festival, Craft Fair	4%	4%	3%
Gamble	8%	3%	3%
Museum, Art Exhibit	5%	5%	2%
Golf	3%	3%	2%
Group Tour	3%	4%	2%
Snow Ski	1%	2%	2%
Theme Park, Amusement Park	6%	2%	2%
Shows (auto, boat, antique, etc.)	1%	1%	0%

Idaho Avg. Party per Trip Spending: Top Ten Activities (2003-2005/\$ Overnight Leisure Stays)



Visitor participation in Idaho's top activities generally enhances per trip spending. It may be surprising to see the increase in spending over the average on trips involving *National or State Parks* and *Nature/Eco-Tourism*.

Of Idaho's top ten activities, trip spending is significantly below average only for campers.



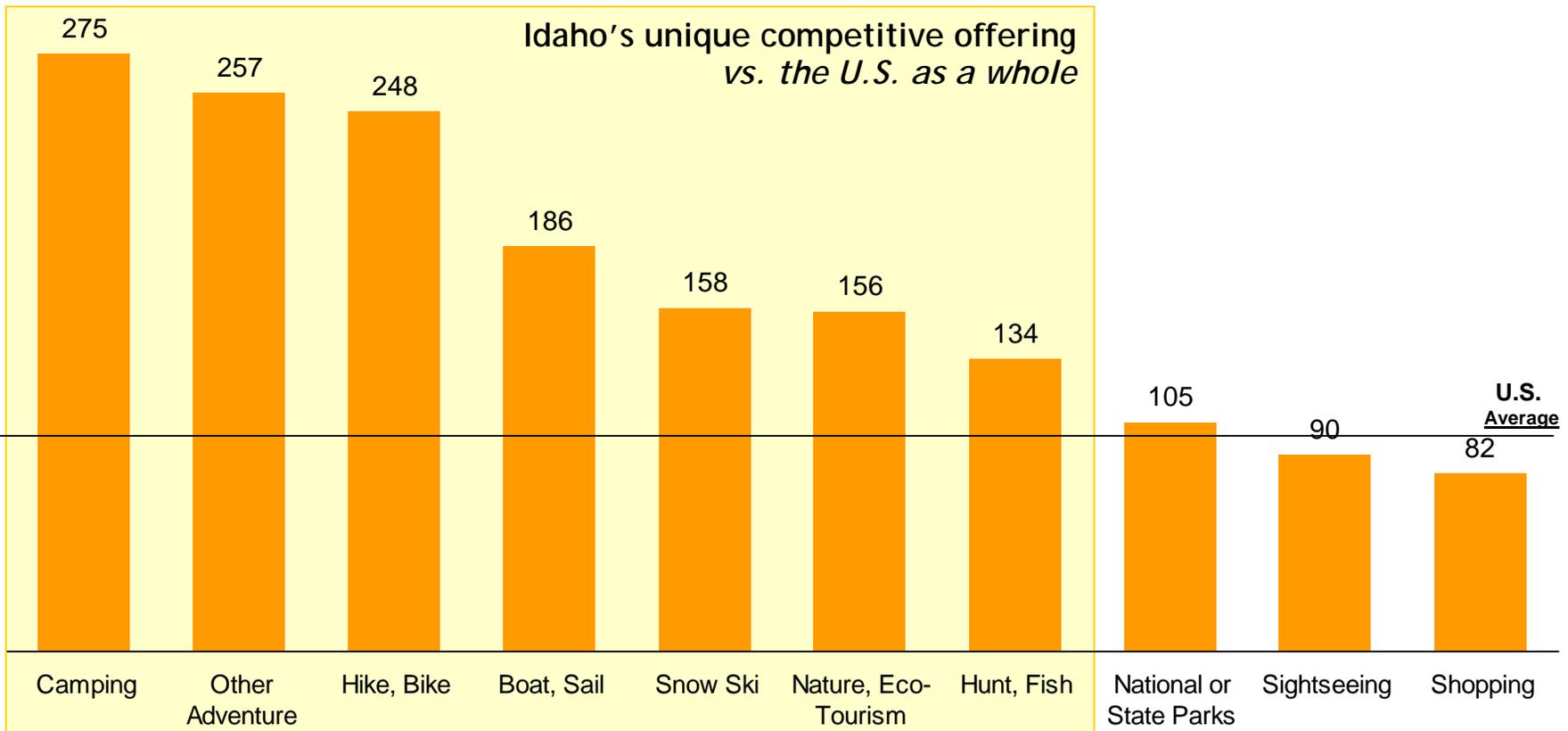
Idaho Activity Index

(U.S. Participation Level = 100)
(2003-2005/Overnight Leisure Person-Stays)



The activity index uses a U.S. average of 100. Above 100 are activities that travelers in Idaho are more likely to do than visitors to the U.S.. Weighted in Person-Stays, this index provides additional weight to activities participated in on trips with larger party sizes.

As opposed to share of participation, this index reflects activity popularity for Idaho relative to nationwide participation in the same activities. The cluster of high-index activities constitutes the State's brand image or personality, in terms of activities actually enjoyed by the traveler.

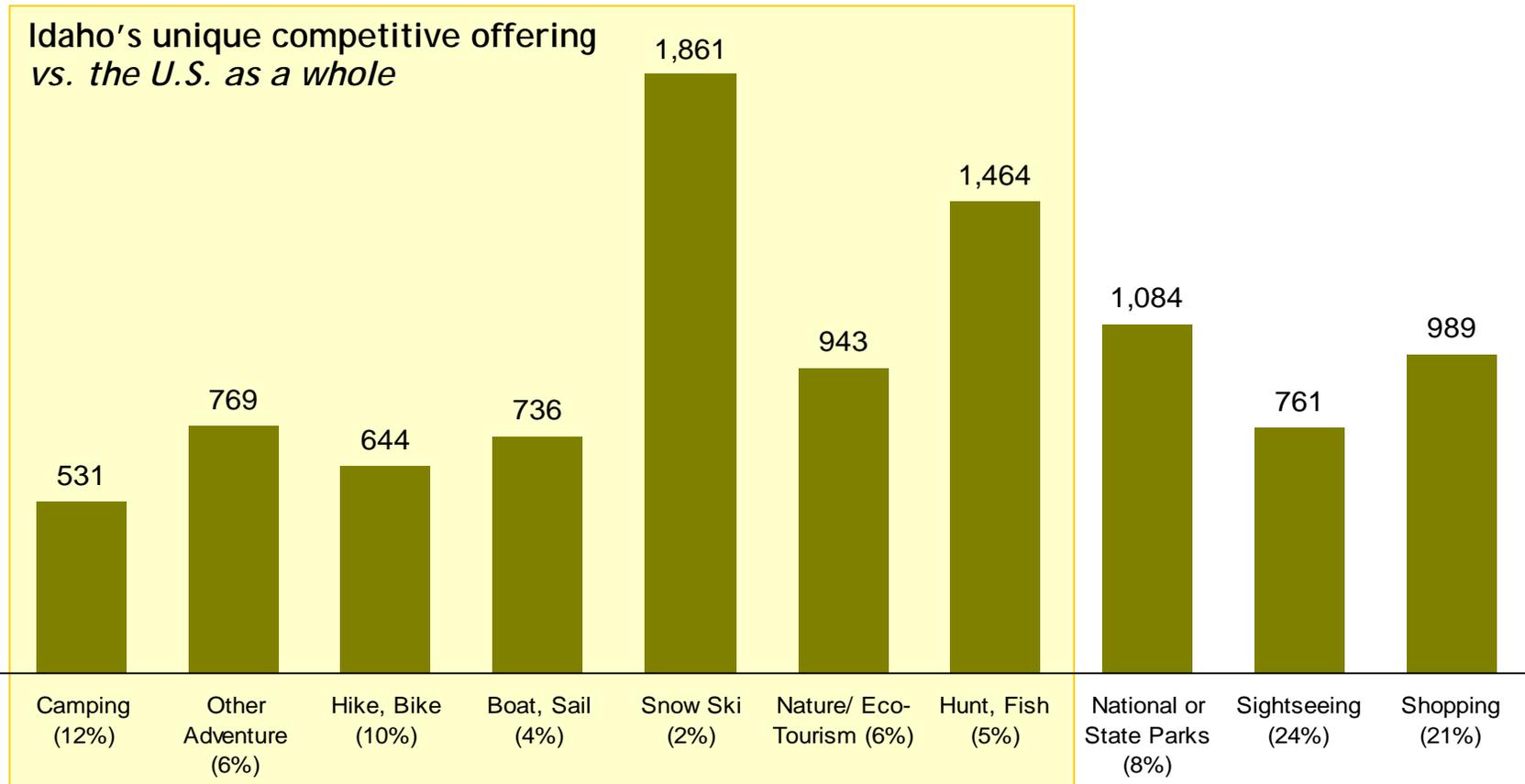


Idaho Avg. Party per Trip Spending by Activities (2003-2005/\$ Overnight Leisure Stays)



Of the activities that define an Idaho vacation as distinct from U.S. travel on the whole, *Skiing* and *Hunting/Fishing* have the most pronounced impact on trip spending.

Broader participation levels for *Sightseeing* and *Shopping*, however, point to these activities as key drivers of the overall economic impact of Overnight Leisure travel.



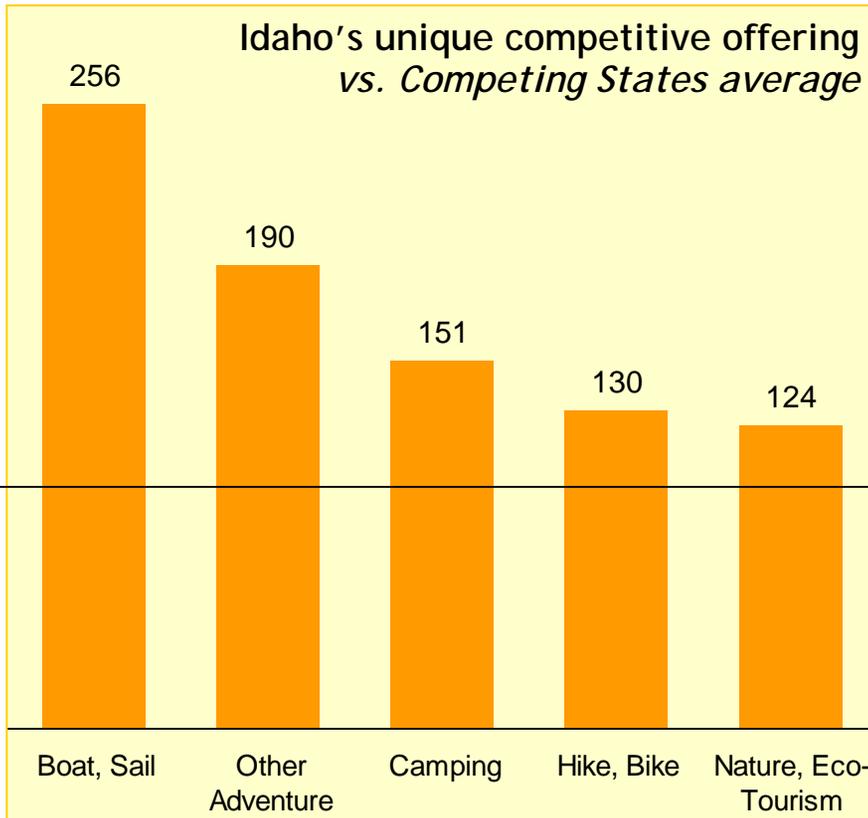
Idaho Activity Index

(Comp Set Participation Level = 100)
(2003-2005/Overnight Leisure Person-Stays)

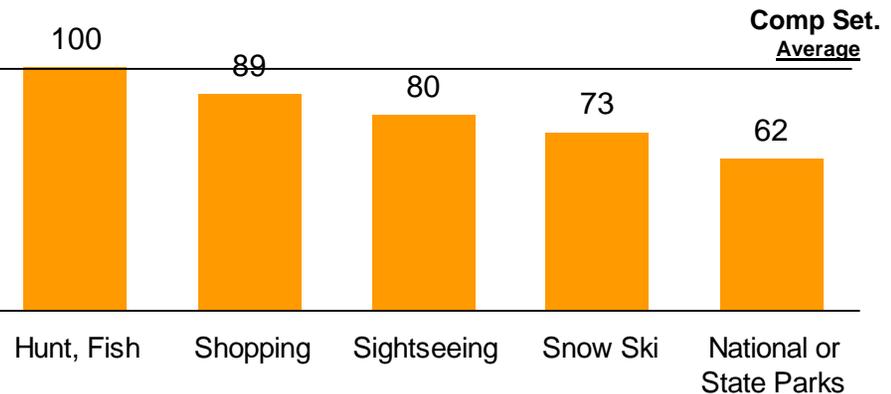


This activity index uses the Comp Set average participation rate to determine the average of 100. Activities that score over 100 on this index are more popular among Idaho travelers than the same activities among travelers visiting the State's direct competitors.

Boating & Sailing (incl. whitewater), *Other Adventure Sports*, *Camping*, *Hiking & Biking* and *Nature/Eco-Tourism* emerge as brand identifiers that separate Idaho from its closest competitors.



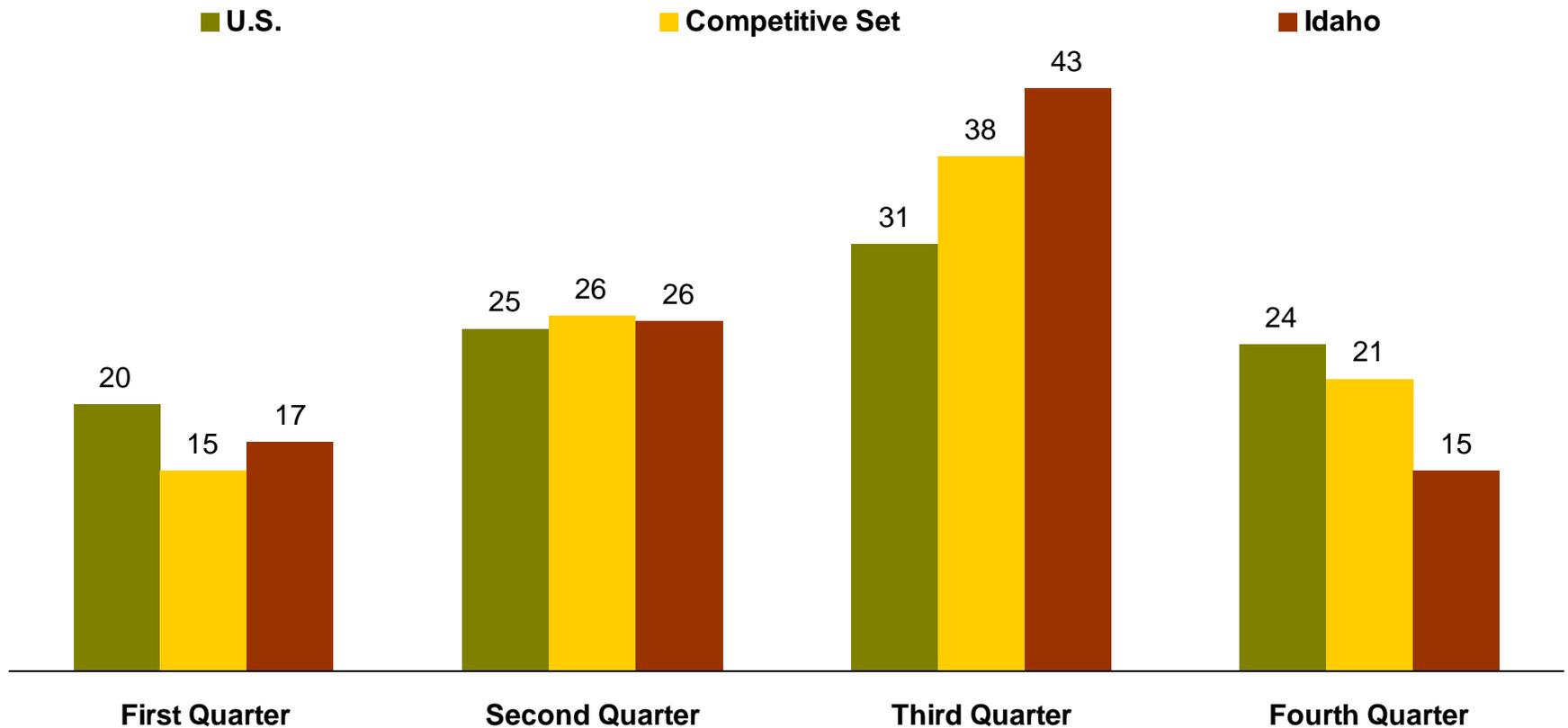
- Idaho trips where Hunting and Fishing occurred showed trip spending levels 2.25 times the average for the State.
- Boosting participation in Shopping and Sightseeing will positively impact overnight leisure travel spending.



Trip Timing by Quarter: U.S., Competitive Set, and Idaho (2004-2005/% of Overnight Leisure Person-Stays)



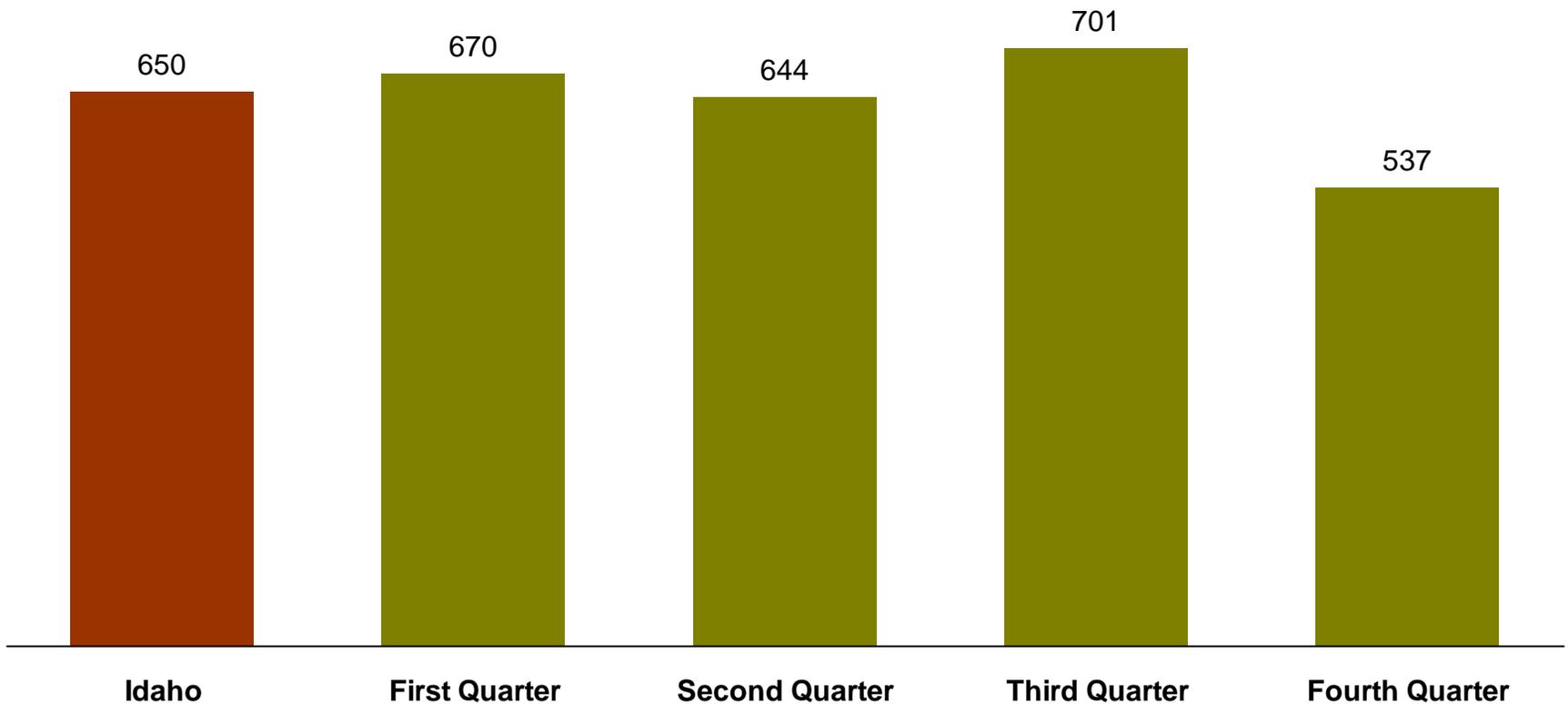
- Overall, the third quarter is the most popular quarter for travel. This is even more true in Idaho. Nearly half of Idaho travelers visit Idaho in the third quarter.
- Conversely, Idaho receives a much smaller share of travelers in the first and fourth quarters.



Idaho Average Party per Trip Spending by Quarter: (2003-2005/\$ Overnight Leisure Stays)



After an increase of almost 9% between the second and third quarters, Idaho's average party per trip spending dropped 23% between the third and fourth quarters.

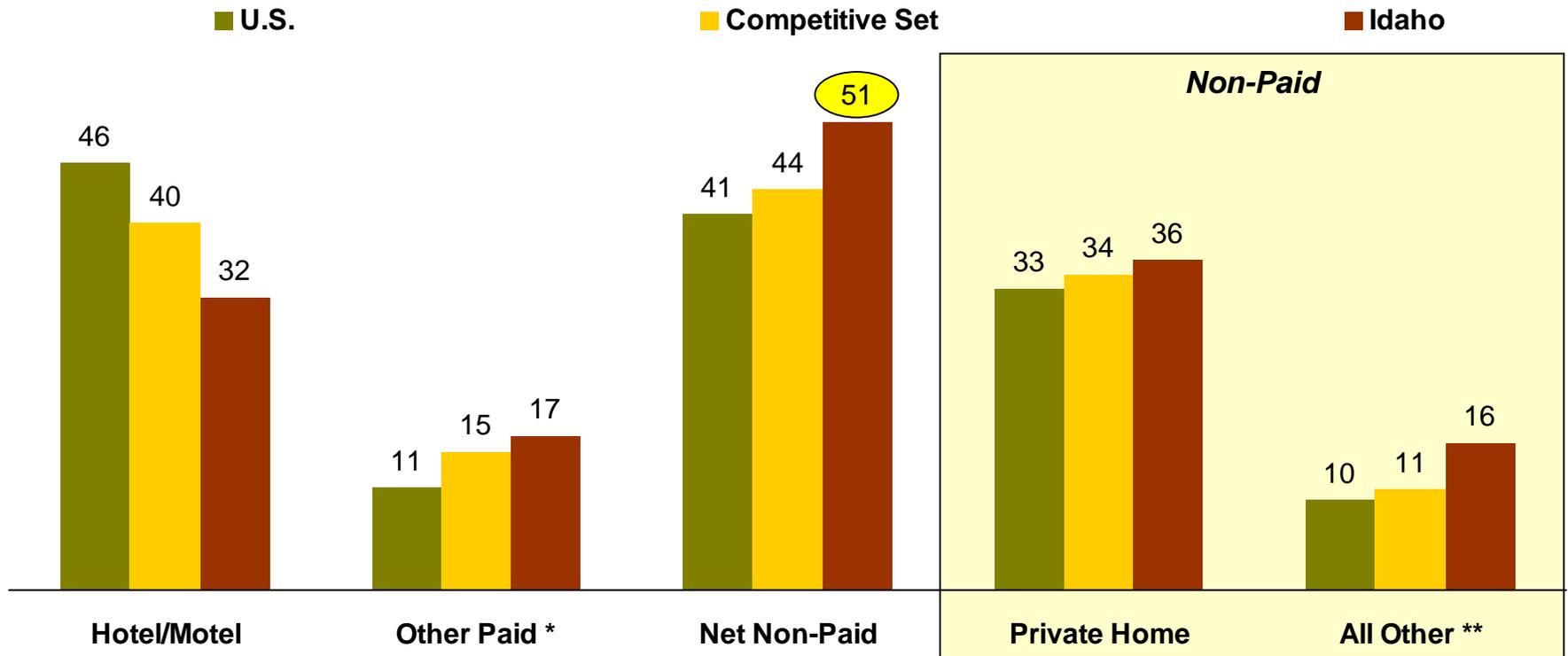


Accommodations Type: U.S., Competitive Set, and Idaho (2004-2005/% of Overnight Leisure Person-Stays)



Idaho traveler books a substantially smaller proportion of their stays in hotels and motels: only 32% versus a national average of 46%. Idaho receives a much higher share of travelers utilizing *Other Paid* and *Other* accommodations.

Thus many Idaho Overnight Leisure visitors avoid contributing to the state's hotel and lodging tax base.



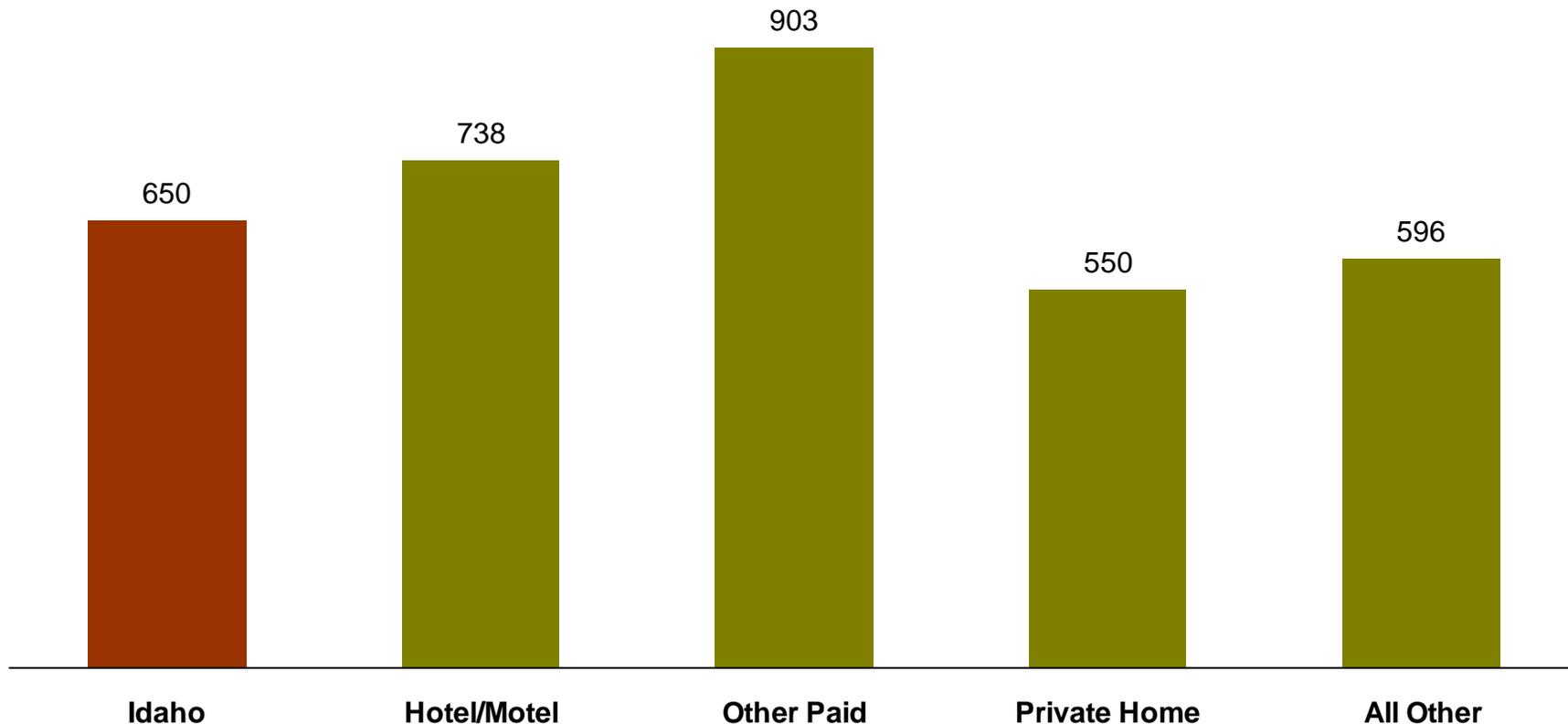
* *Other Paid* accommodations include campgrounds, bed & breakfasts, and paid timeshares.

** *All Other* accommodations include second home ownership and miscellaneous accommodations.

Idaho Average Party per Trip Spending by Accommodations Type: (2003-2005/\$ Overnight Leisure Stays)



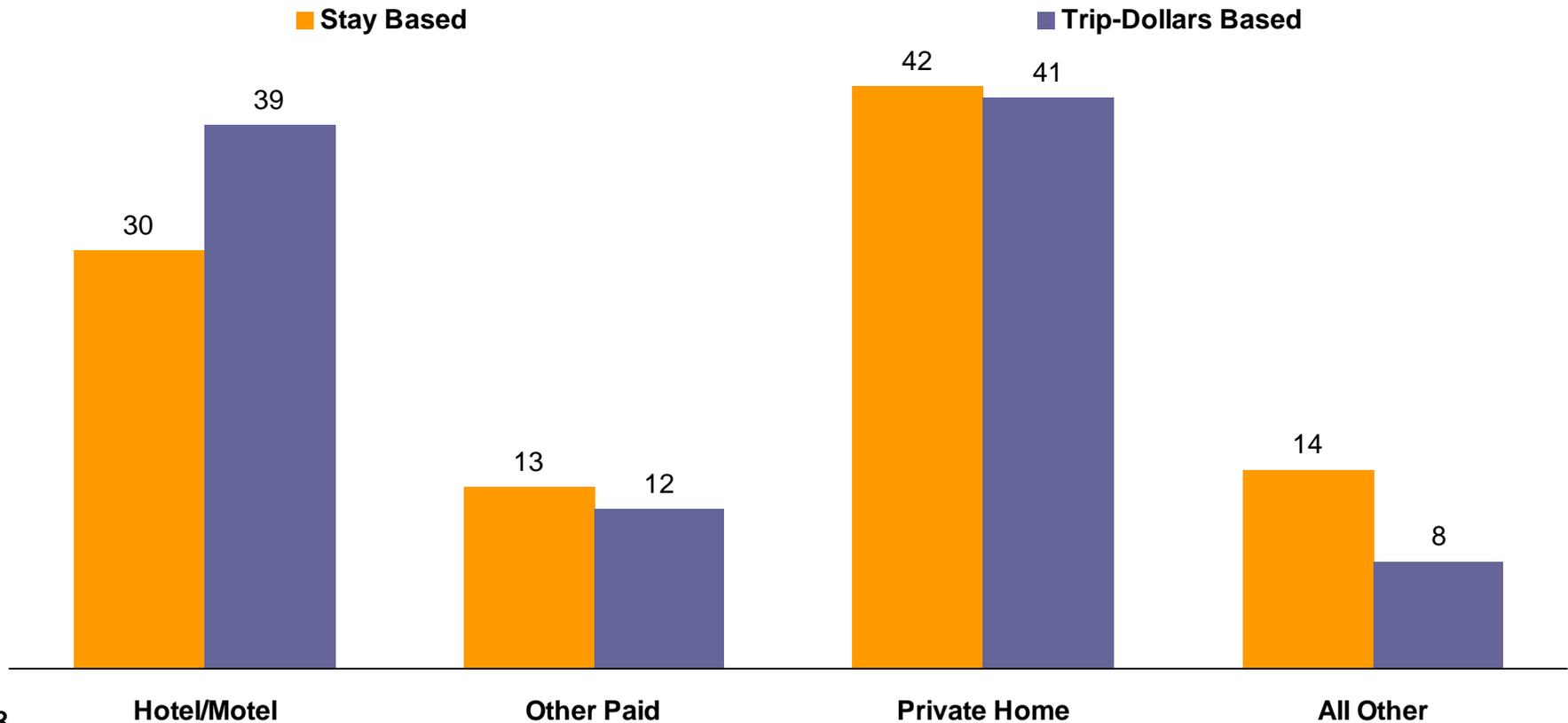
Other Paid accommodations include timeshare, B&Bs and paid RV and camping sites.
 Higher per-trip spending for these places is due in part to considerably longer length of stay than other types of lodging.



Idaho Accommodations Type Comparison (2003-2005/% of Overnight Leisure)



As seen here, Hotel/Motel travel accounts for a higher proportion of Overnight Leisure spending (trip dollars), while spending by those staying in Other accommodations is a lower share of spending than of actual stays. This is a typical pattern.





Trip Purpose

The largest share of Idaho visitors travel to *Visit Friends and Relatives (VFR)* (35%). However, this proportion is lower than *VFR* for the Competitive Set (37%) and U.S. (36%).

- *VFR* travelers usually generate lower per trip spending than travelers. However, Idaho *VFR* travel is on par with the State's per trip spending average.
 - For comparison purposes, Comp Set *VFR* spending (\$659) is 85% of the Comp Set trip average (\$768).
- *Getaway Weekend* and *Special Event* travel are tied at 18% each of Idaho Overnight Leisure trip purpose.
 - These two trip purposes usually command higher than average trip spending.
 - However, in Idaho, trip spending comes to 90% (\$590) of the State average for *Getaway Weekends* and 84% (\$544) of the State average for *Special Event* travel.

Party Size

The average party size of Idaho is 2.54 persons, ranking in the middle of the Comp Set.

- Idaho party size is buoyed by Couples (37% of Stays) and Families (32%), both higher than U.S. and Comp Set levels. Despite these figures, Idaho party size has fallen by 5.5% for 2003-2005 from the level seen in 2000-2002. U.S. and Comp Set party sizes have both grown in that period.

Length of Stay

Idaho Overnight Leisure guests average a 2.85 night stay.

- Average stay length for Idaho, as well as for the U.S. and the Comp Set, is down for 2003-2005 from 2000-2002, due in part to a spike in longer stay lengths after 9/11.
- A chief contributor to Idaho's short stay length is a high proportion of 1 night stays. At 38%, this is above U.S. (35%) and Comp Set (37%) proportions of 1 night stays.



Spending

Daily spending (per person) by Idaho visitors is up 8.3% for 2004-2005 from 2002-2003 levels, roughly on par with U.S. traveler daily spending growth, but trailing Comp Set growth.

- Relative to the U.S. average (26%), Idaho and Comp Set travelers must spend a high proportion of their daily travel dollars on Transportation (31% and 30%, respectively).
- Idaho travelers reserve 14% of their budgets for Entertainment, well above the Comp Set average (12%).

Average trip spending per party per trip by Idaho visitors is \$650, lower the U.S. average (\$879) and Comp Set average (\$768).

Activities

Idaho visitors participate in certain activities at the destination at rates higher than seen across the U.S. and the Comp Set. These activities constitute brand identity, or Idaho's unique competitive offering. For Idaho, these activities include:

- Boating and Sailing (including whitewater boating)
- Other Adventure Sports
- Camping
- Hiking and Biking
- Nature and Eco-Tourism

Lodging

Idaho visitors are 30% less likely to stay in Hotels or Motels than travelers nationwide.

- In exchange, a higher share of Idaho visitors stay in non-paid and *Other Paid* accommodations, such as B&Bs, timeshares and campgrounds.



Origin Regions

- States
- DMAs

Mode of Transportation



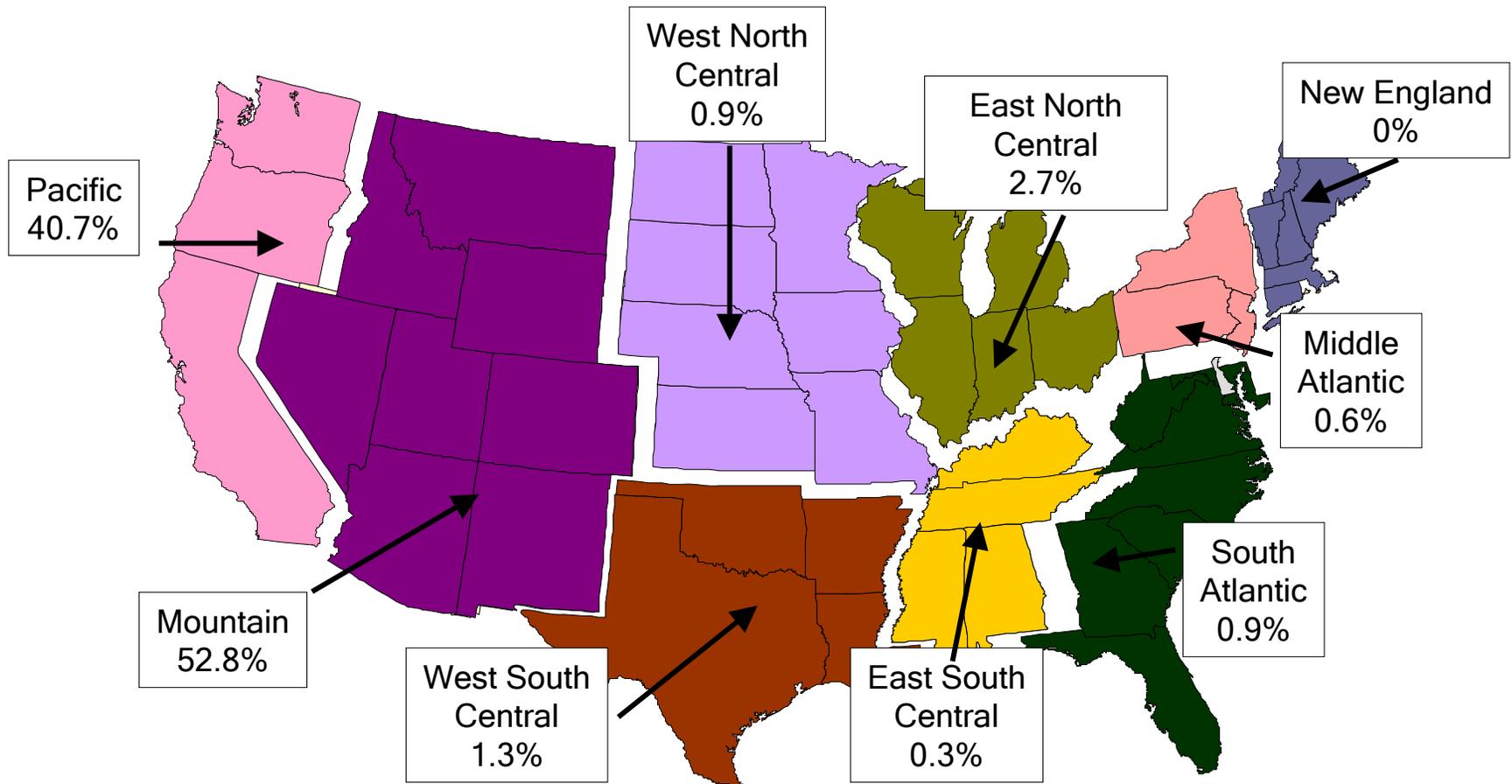


- The *Communicating* section will help travel marketers and planners know the key markets that generate the destination's largest share of visitors. This will help destinations launch marketing communications to markets that are likely to convert 'lookers to bookers.' Several origin market geographies are analyzed to give the destination a comprehensive view of where their visitors reside. The following describes these geographies:
 - The U.S. Census Bureau groups U.S. states into nine regions for statistical reporting purposes. These regions are based on purposes established in 1910 and are provided here for comparison to other Census data. This report evaluates the nine Census regions.
 - Defined by Nielsen Media Research, Inc, DMAs or Designated Marketing Areas denote a geographical area consisting of a primary city and surrounding county or counties. The DMAs represent a unified geographic media market. There are 210 DMAs in the U.S. Every U.S. county is in one and only one DMA.
 - MSAs reflect the Metropolitan Statistical Area, another concept developed by the U.S. Census Bureau. MSAs reflect groups of counties related to one another socially, geographically, and economically. There are more than 300 MSAs in the U.S. Not every county is in an MSA.
- In addition to knowing from where visitor's originate, the *Communicating* section also provides an analysis of the destination's competition and their respective share of the key origin markets. This analysis will help destination's know where else their visitors travel and, armed with the travel intelligence provided throughout this report, travel marketers can prepare a strategy to lure visitors away from the competition.

Top Origin Regions for Travel to Idaho (2004-2005/% of Overnight Leisure Person-Stays)



More than half of Idaho Overnight Leisure visitors live in the Mountain region (52.8%). The Pacific region contributes another 40.9% of Idaho Person-Stays. Just over 6% of Idaho visitors come from other regions throughout the country.

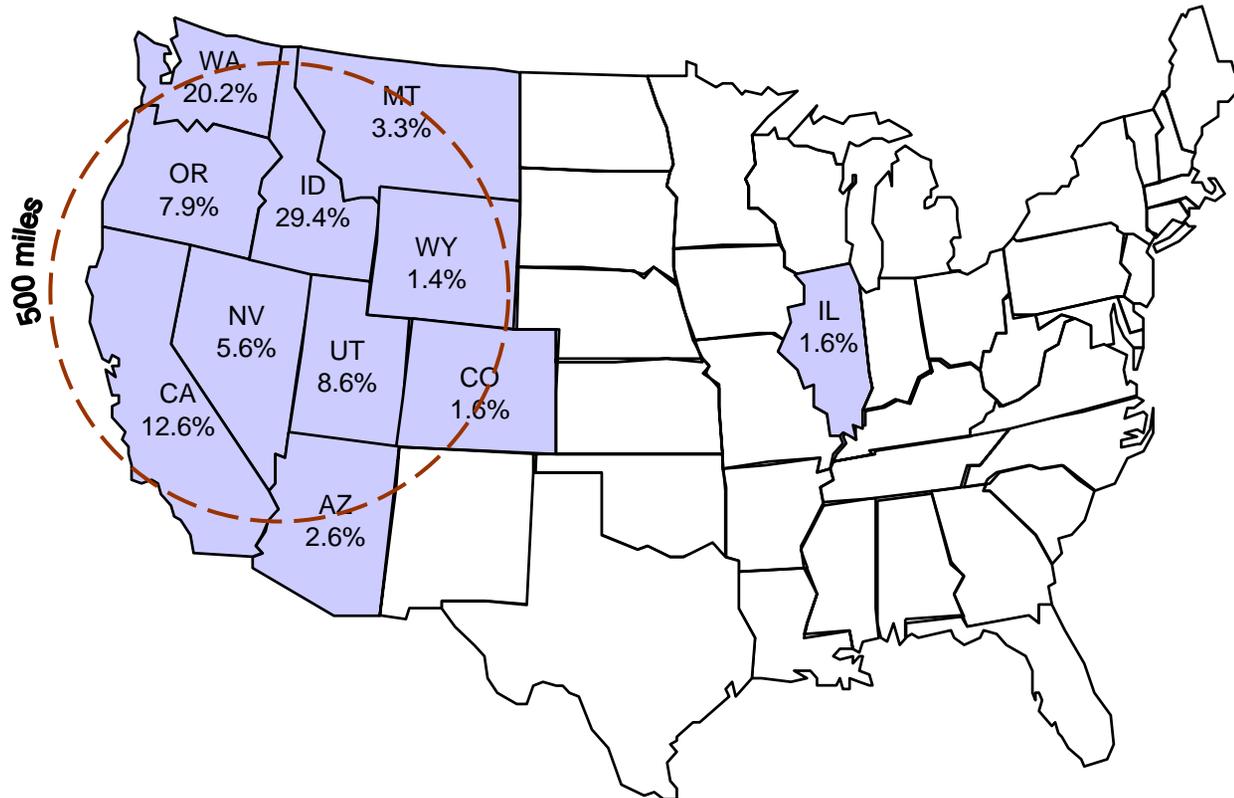


Idaho Top Origin States (2004-2005/% of Overnight Leisure Person-Stays)



Just less than three in ten Idaho Overnight Leisure visitors come from Idaho itself. Washington (20.2%), California (12.6%) and Utah (8.6%) account for another 40%.

- The top ten states yield 93.2% of Idaho visitors.



Idaho Top Origin DMAs (2003-2005/% of Overnight Leisure Person-Stays)



Visitor origin market data has been combined for three years -- 2003, 2004 and 2005 -- to provide better stability or reliability of the findings. Idaho's top ten markets account for 77% of all Idaho visitors. Markets are sorted in descending order by Idaho's top feeder markets.

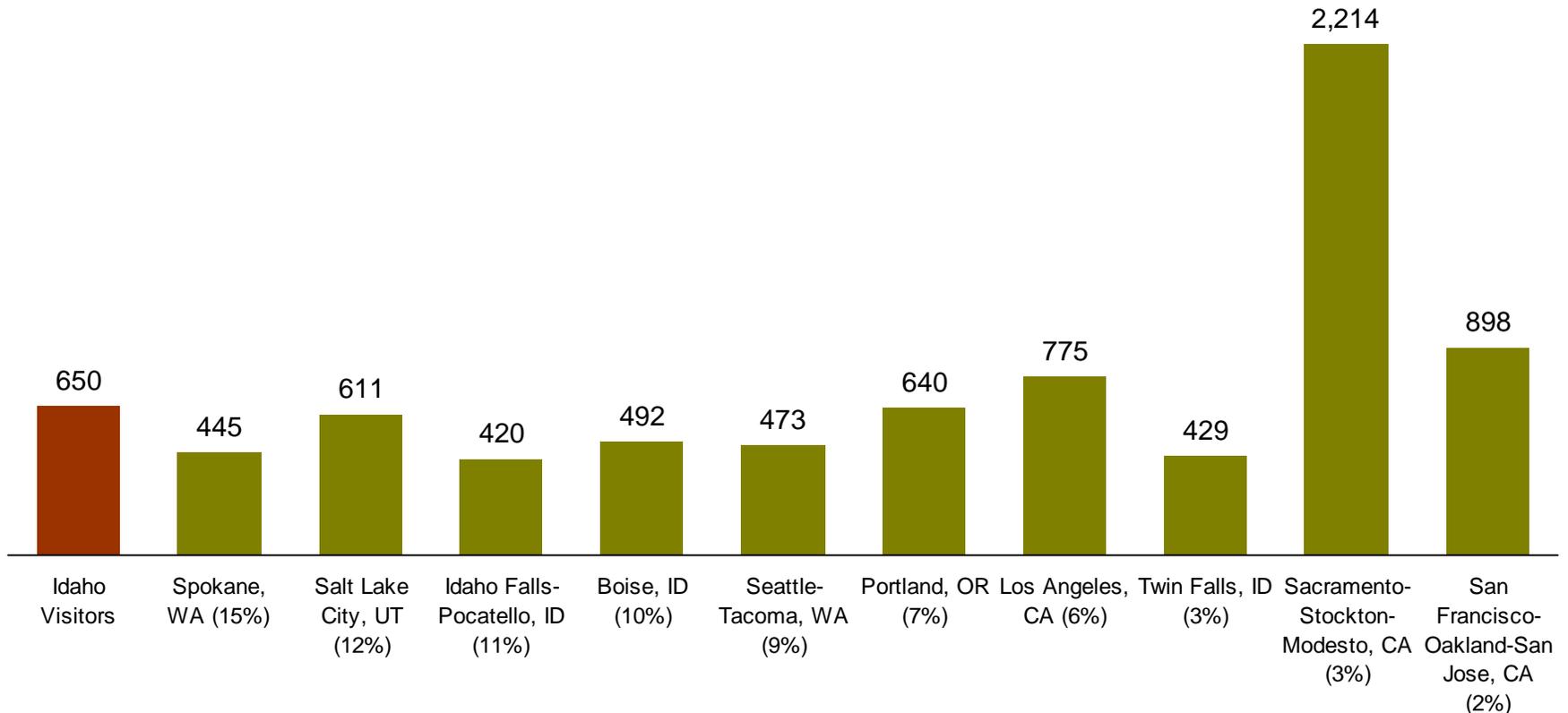
	U.S.	Comp Set	Idaho
Spokane, WA	0.5%	5.0%	15.2%
Salt Lake City, UT	1.0%	10.6%	11.9%
Idaho Falls-Pocatello, ID	0.2%	1.3%	11.3%
Boise, ID	0.2%	1.5%	9.7%
Seattle-Tacoma, WA	1.2%	14.1%	8.7%
Portland, OR	1.2%	15.5%	6.8%
Los Angeles, CA	5.3%	4.6%	5.5%
Twin Falls, ID	0.0%	0.2%	3.4%
Sacramento-Stockton-Modesto, CA	1.5%	2.4%	2.5%
San Francisco-Oakland-San Jose, CA	2.7%	3.0%	2.1%
Top 10 Sum	13.8%	58.2%	77.1%

Idaho Average Party per Trip Spending by Origin DMA: (2003-2005/\$ Overnight Leisure Stays)



Per trip spending from Idaho's top 6 origin DMAs (which account for 63% of trips) is below the State's trip average. This is partially explained by the short distances and, in many cases, shorter stay lengths, associated with origin markets close to the destination, such as Spokane, Idaho Falls/Pocatello and Boise.

It also underscores the importance of spending contributions from distant DMAs such as Sacramento, San Francisco and Los Angeles.



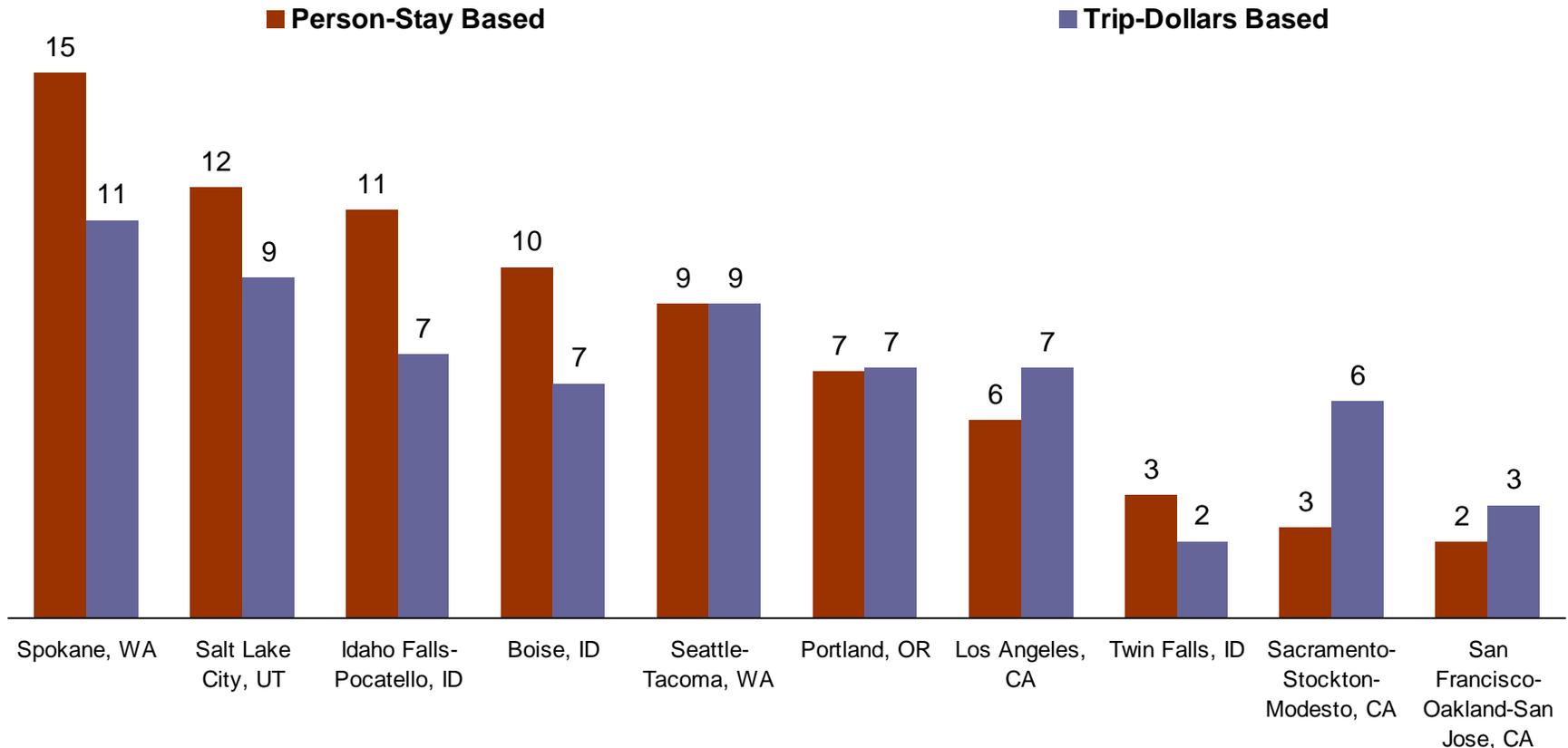
Idaho Origin DMA Comparison (2003-2005/% of Overnight Leisure)



Not all of Idaho's top ten origin DMAs contribute proportionately to overall trip spending.

Los Angeles, Sacramento and San Francisco all contribute more to Overnight Leisure spending than their share of Person-Stays might indicate.

Distance is a factor, as travelers logging greater distance from home generally stay longer and spend more during a trip.

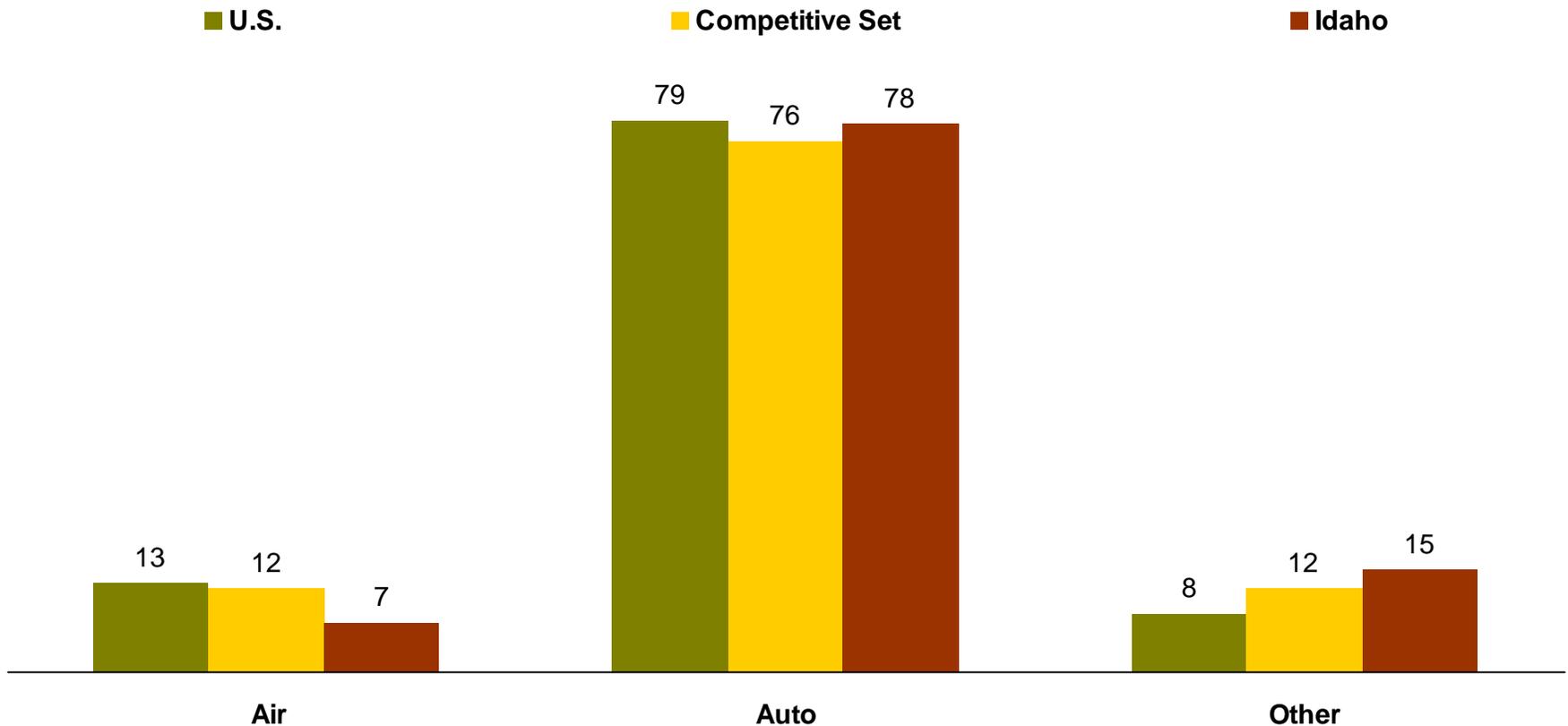


Main Mode of Transportation: U.S., Competitive Set, and Idaho (2004-2005/% of Overnight Leisure Person-Stays)



Without large airports, it is not surprising that Idaho trails in *Air* travel (7%) as a mode of transportation employed by Overnight Leisure visitors relative to the Comp Set and the U.S.

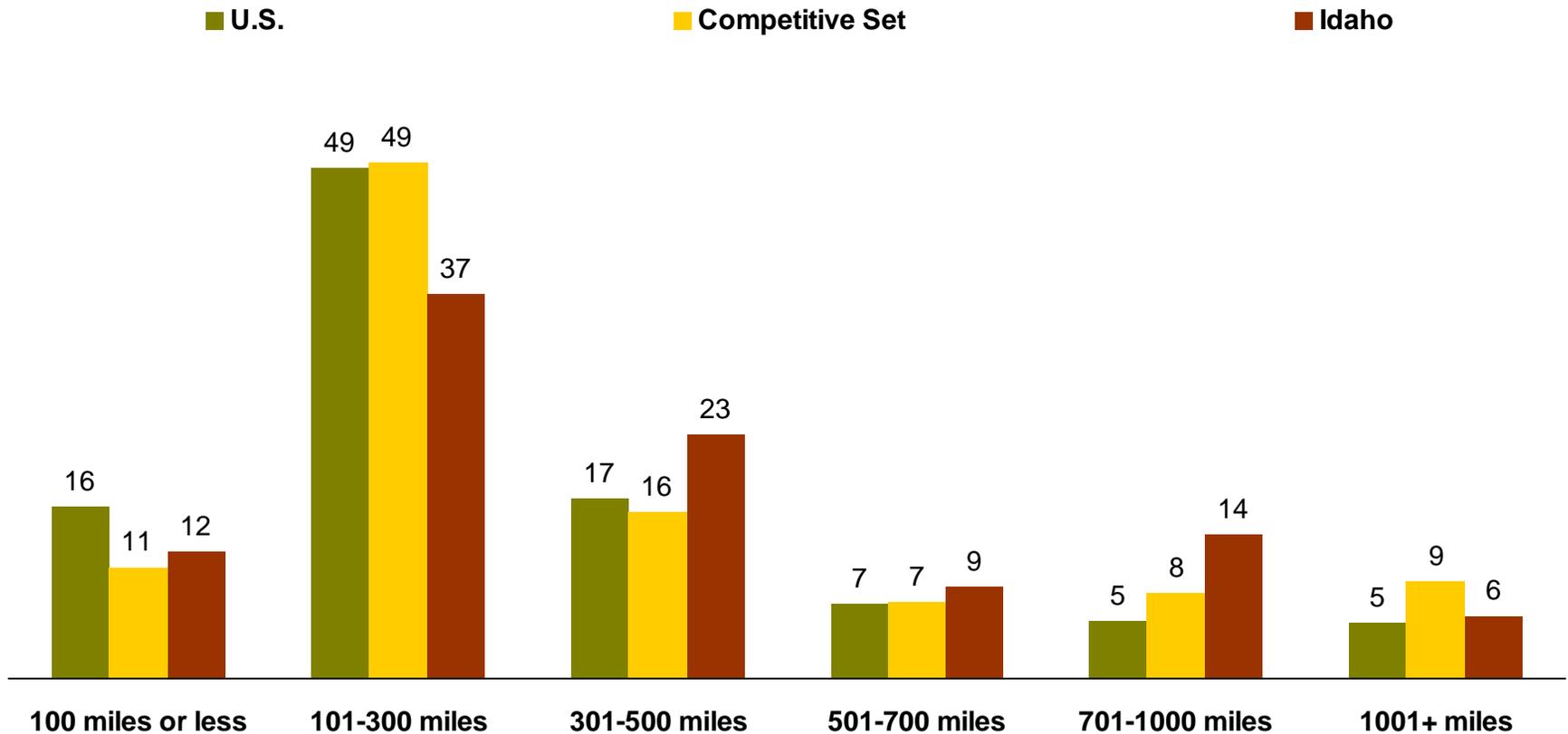
Idaho attracts a large percentage of visitors who travel by *Other* means, which include travel by RV or Camper as well as (more typically) Bus and Train travel.



Travel Distance Distribution By Auto: U.S., Competitive Set, and Idaho (2004-2005/% of Overnight Leisure Person-Stays)



- Less than half of *Auto*-based Idaho Person-Stays come from trips of 300 miles or less. *Auto* trips of that distance account for six in ten U.S. Person-Stays.
- Nearly three in ten Idaho *Auto* Person-Stays are over 500 miles, well above the average rate of U.S. travelers driving that far on Overnight Leisure.

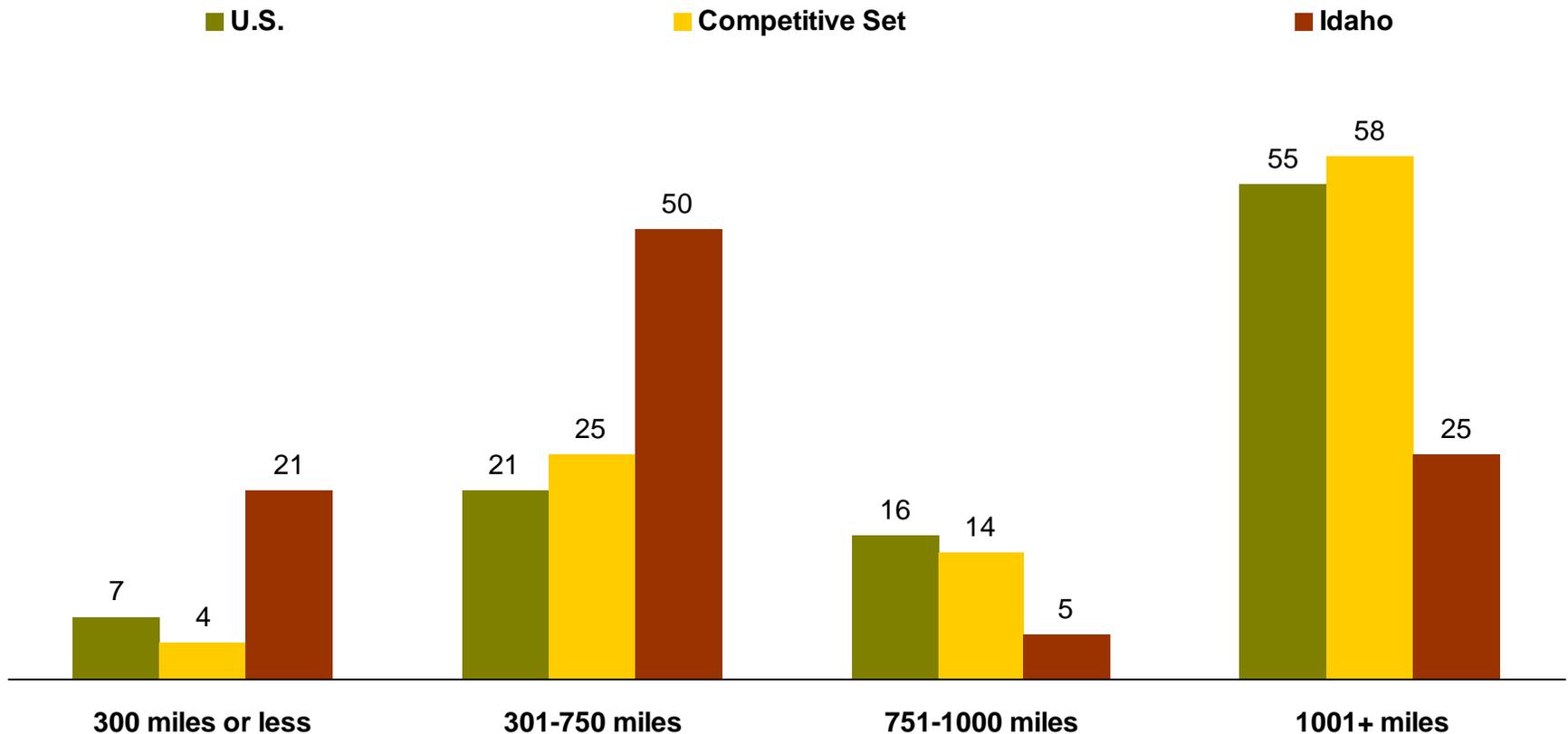


Travel Distance Distribution By Air: U.S., Competitive Set, and Idaho (2005/% of Overnight Leisure Person-Stays)



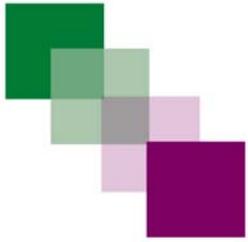
Seven in ten Idaho *Air* travelers come from distances of 750 miles or less. This may point to several underlying factors.

1. Idaho visitors, overall, are more likely to come from a distance of less than 750 miles; thus *Air* distances are naturally lower.
2. Idaho *Air* infrastructure is thinly developed, forcing some long distance travelers to come by car.





- Nearly all (95%) of Idaho’s visitors come from the Pacific and Mountain regions. The remaining 5% of Idaho visitors come from the Nation’s other seven Census regions are.
- Nearly 30% of Overnight Leisure visitors to Idaho come from within the State itself.
 - Two thirds of visitors originating in Idaho (24% of total visitors) come from the population centers of Idaho Falls/Pocatello, Boise and Twin Falls.
- Other top origin states are Washington, California, Oregon and Utah. Together, these states account for nearly half of Idaho’s visitors.
 - The top origin DMAs for visitors from outside of Idaho are Spokane, WA, Salt Lake City, UT, Seattle/Tacoma, WA and Portland, OR. These DMAs account for 43% of Idaho visitors.
 - California DMAs of Los Angeles, San Francisco and Sacramento contribute just over 10% of visitors, yet these visitors yield over 16% of Idaho Overnight Leisure spending
- Idaho proportion of visitors arriving by *Air* is substantially lower than the national average.
 - Conversely, Idaho visitors are much more likely to travel by *Other* means, which includes RV and Camper travel as well as Bus and Train.
- Compared to U.S. driving distance averages, visitors traveling to Idaho by *Auto* are over 50% more likely to have driven 500 miles or more.
- By contrast, *Air* distances are shorter, with just one quarter of guests arriving by *Air* traveling 1,000 miles or greater, less than half the U.S. proportion.



Sidebar: Family Travelers and Generation X *Activities and Origin Markets*



Idaho Activity Participation & Index

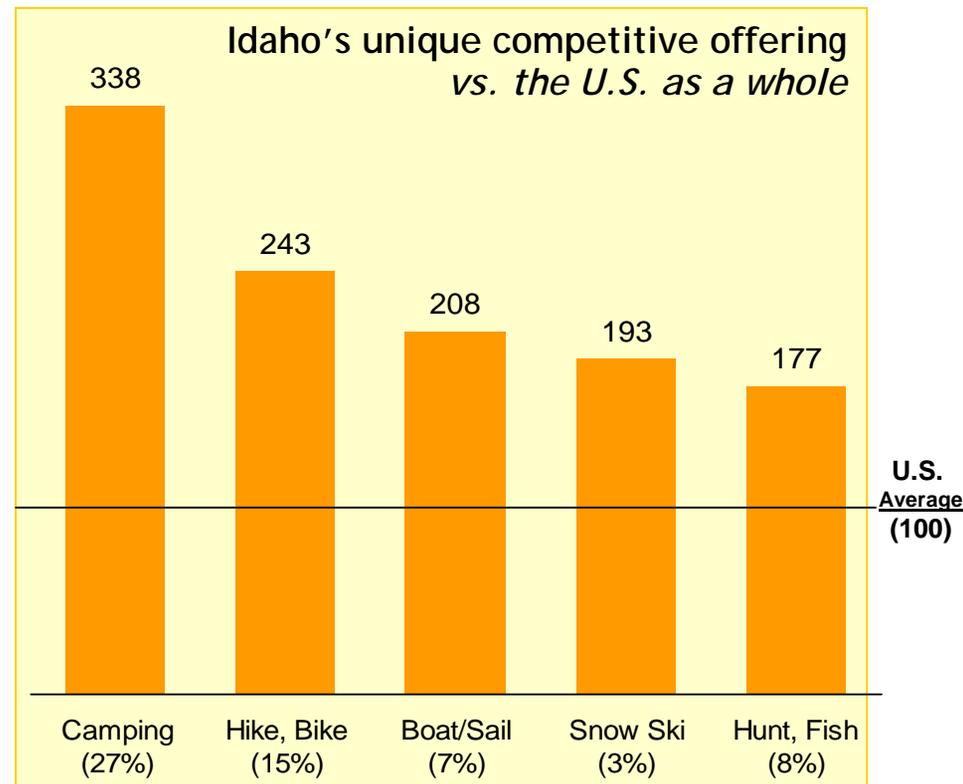
(U.S. Participation Level = 100)
(2003-2005/ 35-54 Year Old with Children in Household Overnight Leisure Person-Stays)



Participation levels (table, left) identify top activities engaged in by travelers age 35-54 with children in their households. *Sightseeing*, *Camping* and *Dining* are quite popular, followed by *Entertainment* and *Hiking & Biking*. However, high U.S. participation in activities such as *Dining* and *Entertainment* obscures the true picture of Idaho's relative strengths.

The activity participation index (chart, right) shows the top five activities that 35-54 year olds with children engage in which differentiate Idaho from other U.S. destinations. For example, these visitors are more than three times as likely to *Camp* on a trip to Idaho than are visitors to common U.S. destinations.

35-54 w/ Children in Household	U.S.	Idaho
Sightseeing ¹	27%	30%
Camping	8%	27%
Dining ¹	31%	26%
Entertainment ¹	25%	16%
Hike, Bike	6%	15%
Shopping ¹	26%	14%
Beach/Waterfront	14%	12%
Theme/Amusement Park	13%	11%
Parks, National/State	11%	11%
Hunting/Fishing	5%	8%



¹ These activities are based on minimum spending levels. All other rates is based on activities selected from a list.

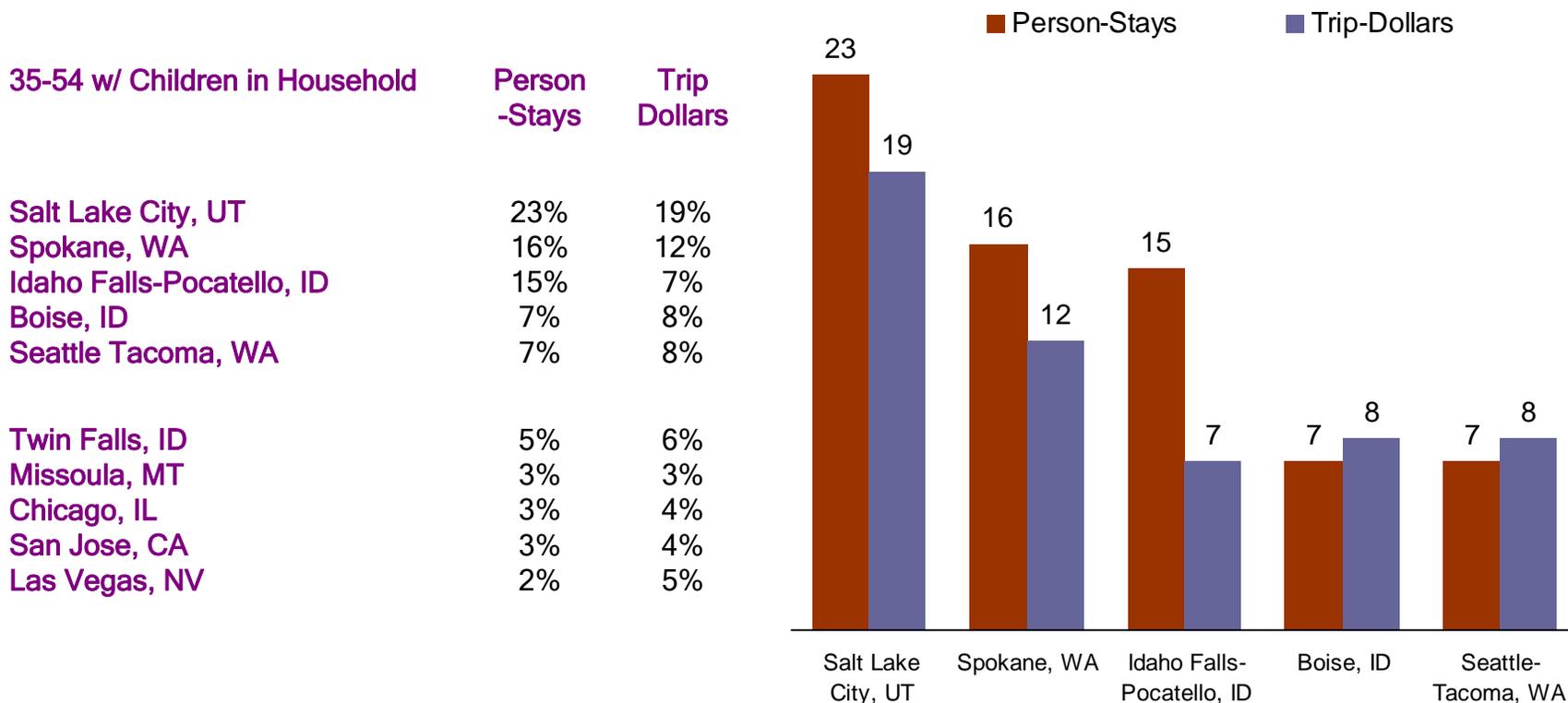
Idaho Origin DMA Comparison (2003-2005/% 35-54 Year Old with Children in Household Overnight Leisure)



The top ten origin markets for 35-54 year old family travelers account for 84% of the travelers and 76% of the spending within this group. Three Idaho DMAs in the top ten account for 27% of travelers and 21% of spending.

- Over three quarters of Idaho family travel and nearly 80% of spending comes from outside the State.
- The top origin DMA for families is Salt Lake City, UT, contributing nearly one fourth of family travel.

It is also noteworthy that distant markets such as Chicago, IL, San Jose, CA and Las Vegas, NV contribute a much higher proportion of travel dollars than the actual number of travelers they supply.

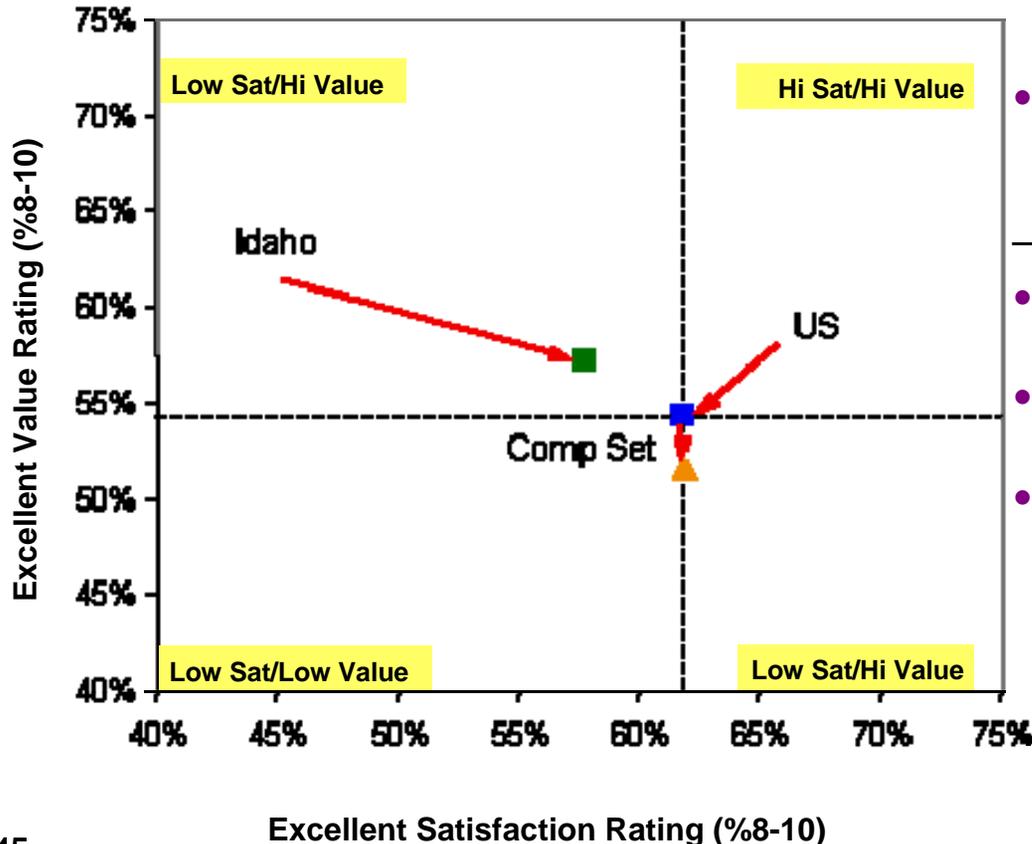


Excellent Destination Satisfaction vs. Value Ratings: U.S. and Idaho

(2000-2002 vs. 2003-2005 35-54 with Children in Household Overnight Leisure)



- Travelers rate destinations on overall Satisfaction and Value giving 10 points; 1 is lowest, 10 is highest. Plot points are based on percentage top three (%8-10) ratings.
- High Satisfaction/High Value ratings indicates higher likelihood to return, higher trip spending and greater likelihood to recommend.



- The U.S. as a whole lost luster from 2000-2002 to 2003-2005 among 35-54 year old travelers with Children.
- Both Satisfaction and Value are down.
- The Comp Set fell slightly on Value but held Satisfaction on par with the U.S.
- Idaho Satisfaction improved markedly, but Idaho suffered a slight loss in Value.
- Idaho is rated low in Satisfaction but high in Value by families headed by 35-54 year olds.

Idaho Activity Participation & Index

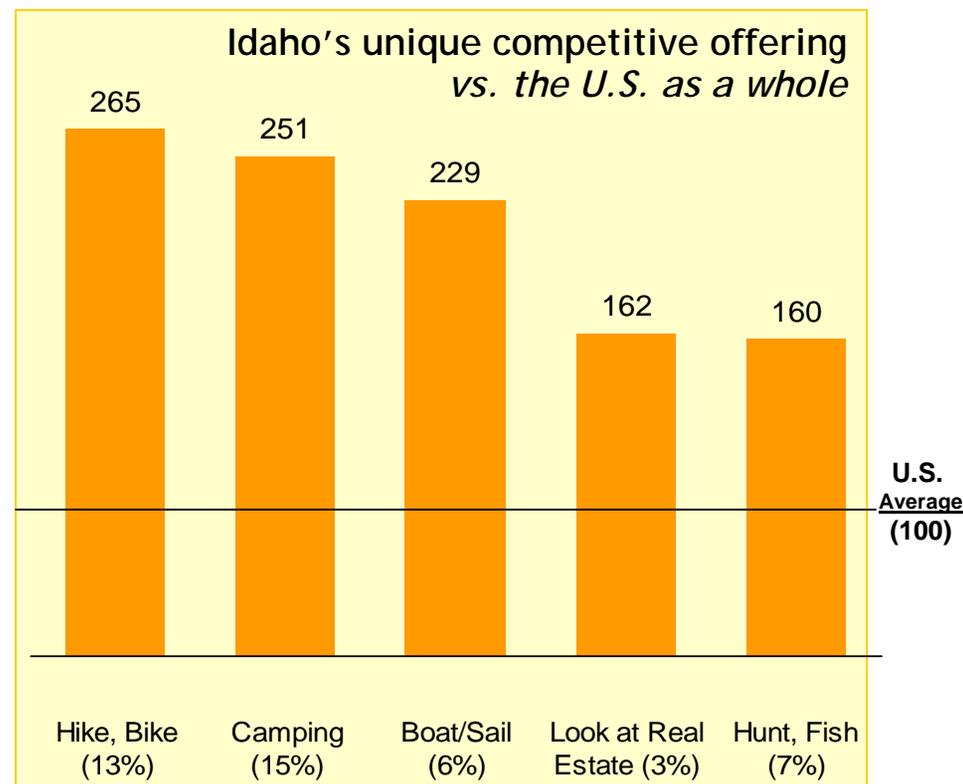
(U.S. Participation Level = 100)
(2003-2005/ Generation X Overnight Leisure Person-Stays)



Participation levels (table, left) identify top activities engaged in by Generation X travelers. *Sightseeing*, *Camping* and *Dining* lead, followed by *Shopping* and *Hiking & Biking*. However, high U.S. participation in activities such as *Dining* and *Shopping* obscures the true picture of Idaho's relative strengths.

The activity participation index (chart, right) shows the top five activities that Gen Xers engage in which differentiate Idaho from other U.S. destinations. For example, Gen Xers are more than two and a half times as likely to engage in *Hiking & Biking* during their trip to Idaho than are visitors to common U.S. destinations.

Generation X (Born 1965-1979)	U.S.	Idaho
Sightseeing ¹	26%	17%
Camping	6%	15%
Dining ¹	28%	15%
Shopping ¹	25%	15%
Hike, Bike	5%	13%
Parks, National/State	10%	10%
Entertainment ¹	26%	9%
Beach/Waterfront	13%	8%
Hunting/Fishing	4%	7%
Boat/Sail	3%	6%



¹ These activities are based on minimum spending levels. All other rates is based on activities selected from a list.

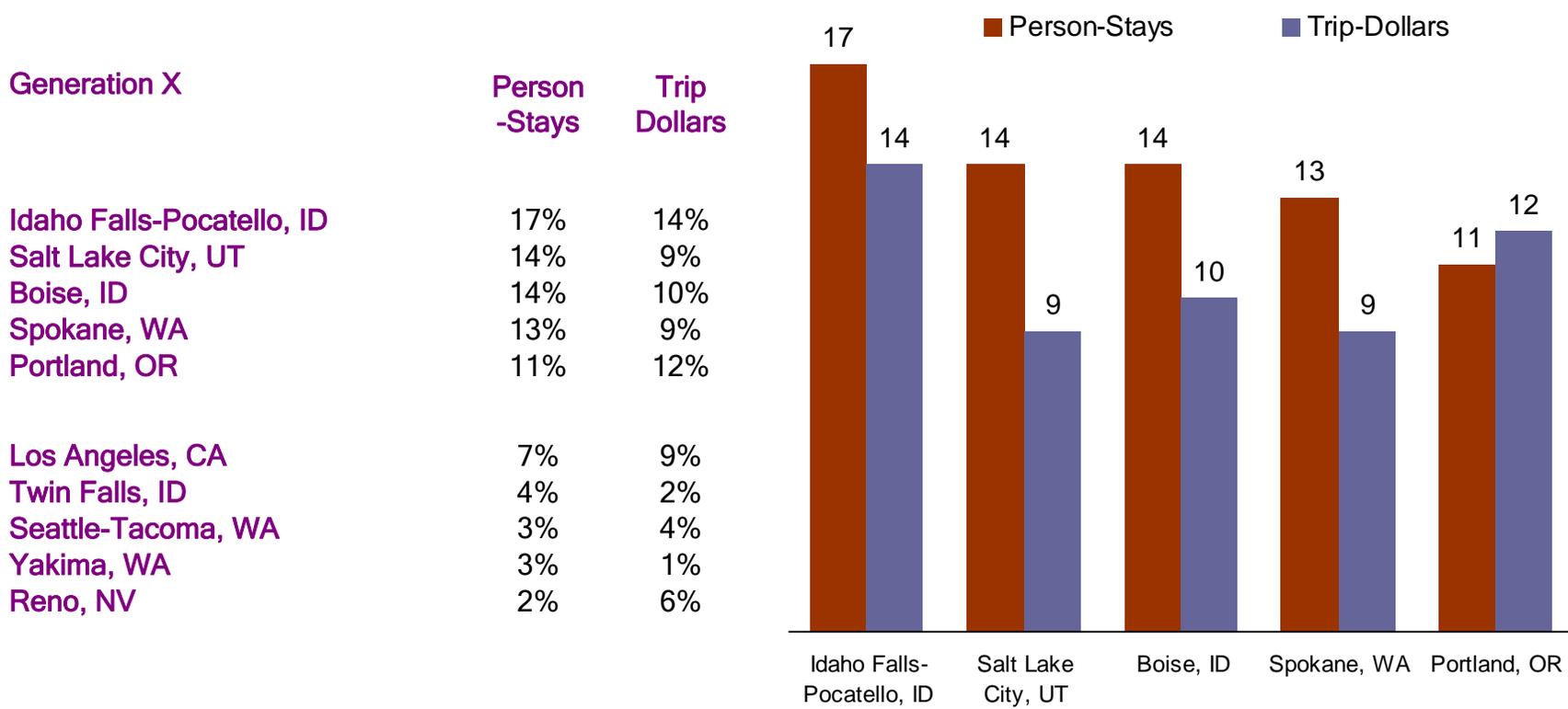
Idaho Origin DMA Comparison (2003-2005/% Generation X Overnight Leisure)



The top Gen X origin DMAs outside of Idaho include Salt Lake City, UT, Spokane, WA and Portland, OR. Three Idaho-based DMAs in the Gen X top ten, Idaho Fall/Pocatello, Boise and Twin Falls, account for 35% of Gen X travelers and 26% of Gen X spending.

Idaho's five top Gen X origin DMAs account for 69% of the Gen X traveler base but only 54% of spending.

Those traveling greater distance often spend more during a trip. This highlights the importance of more distant markets such as Portland, OR, Los Angeles, CA and Reno, NV, where trip spending is higher in proportion to share of travelers.

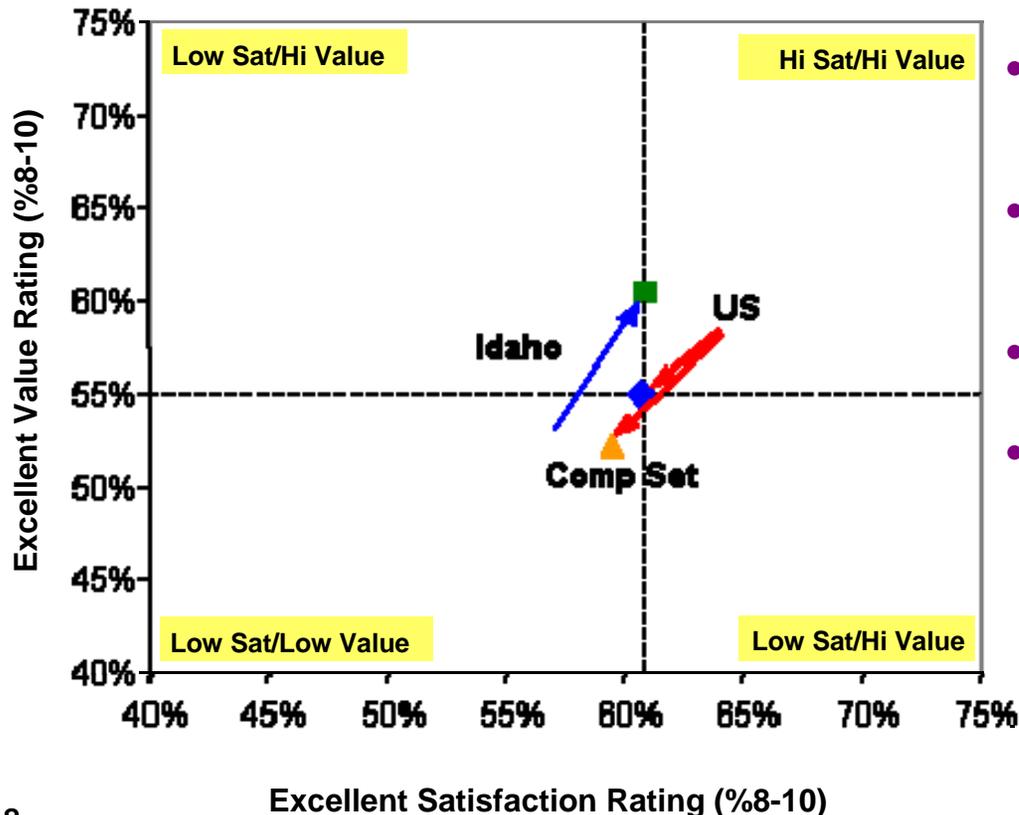


Excellent Destination Satisfaction vs. Value Ratings: U.S., and Idaho

(2000-2002 vs. 2003-2005 Generation X Overnight Leisure)



- Travelers rate destinations on overall Satisfaction and Value giving 10 points; 1 is lowest, 10 is highest. Plot points are based on percentage top three (%8-10) ratings.
- High Satisfaction/High Value ratings indicates higher likelihood to return, higher trip spending and greater likelihood to recommend.



- The U.S. fell in both Satisfaction and Value among Gen X travelers from 2000-2002 to 2003-2005.
- The Comp Set, once on par with the U.S. as a whole, fell even farther into the Low Satisfaction, Low Value quadrant.
- Meanwhile, Idaho Satisfaction and Value ratings both improved among Gen X.
- Gen Xers now rate Idaho high in Value and at par with the U.S. and Comp Set in Satisfaction.



D.K. Shifflet & Associates, Ltd.
1750 Old Meadow Rd., Suite 620
McLean, Virginia 22102

Phone: 703.536.0500
Web: www.dksa.com



Appendix





D.K. Shifflet & Associates Ltd.

Excellence in Travel Intelligence®

Founded in 1982, DKS&A specializes in syndicated and custom market research in the travel and tourism industry

Syndicated -

- Monitor U.S. Travel behavior: *PERFORMANCE/Monitor*SM - largest, ongoing travel tracking study in industry

Custom -

- Segmentation and positioning studies to assist clients in strategic marketing efforts
- Clients include destinations, theme parks, credit cards, auto clubs, hotels chains among others

Appendix A – Industry Acceptance - Client List

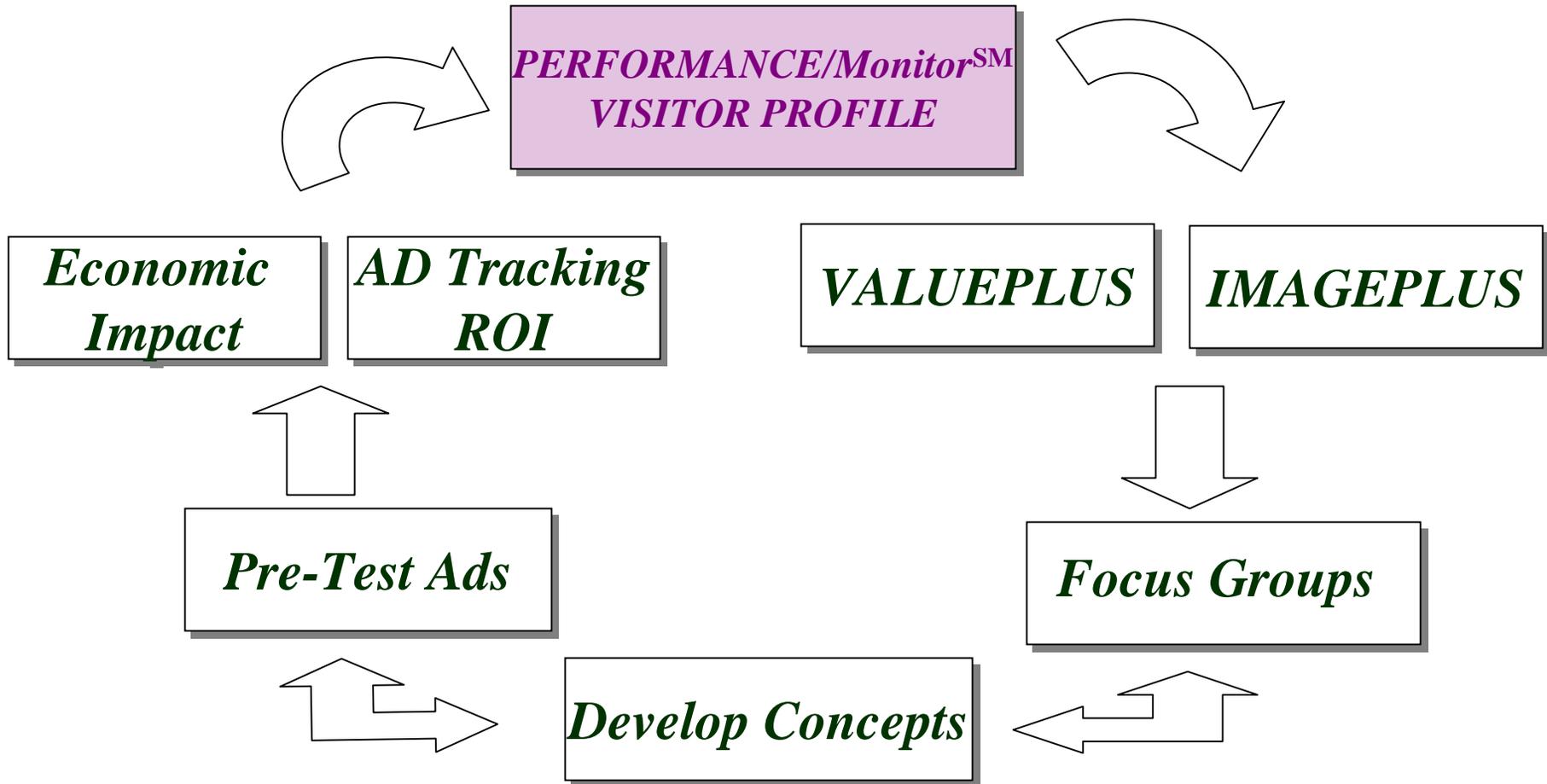


- **States:** Alabama, Arizona, Arkansas, California, Florida, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, New York, Pennsylvania, Texas, Utah, Vermont, West Virginia, and Wisconsin
- **CVBs:** Asheville, Atlantic City, Baltimore, Boston, Branson, Buffalo, Chicago, Cleveland, Dallas, Detroit, Durham, Hilton Head, Indianapolis, Los Angeles, Louisville, Kansas City, Kissimmee/St. Cloud, Long Island, Louisville, Miami, Myrtle Beach, Nashville, New York City, Niagara Falls, Orlando, Panama City Beach, Phoenix, Pigeon Forge, Providence, Salt Lake City, San Antonio, San Diego, San Francisco, Savannah, Traverse City, and Tulsa
- **International:** British Columbia, Canadian Tourism Commission, Israel, and Ontario.
- **Attractions/Theme Parks:** Numerous attractions including most major theme park companies.
- **Hotel/Motels:** Cendant (7 Brands), Marriott (8 Brands), Accor (4 Brands) and InterContinental Hotel Group (3 Brands), Carlson Companies (Country Inns & Suites, Radisson). Other hotel clients include Best Western, Extended Stay America, Hilton, Hyatt (AmeriSuites), La Quinta (Baymont Inns) and Microtel Inns.
- **Other Clients:** AAA, Arthur Andersen, AVIS, Bear Stearns, Discovery Communications, Enterprise Rent-A-Car, Ernst & Young, Fairfield Communities, General Electric, IACVB, Marriott Vacation Club, Price Waterhouse Coopers, Port Authority of New York and Idaho, USA TODAY, and VISA USA.

Appendix A – DKS&A’s Integrated Approach



- DKS&A’s client-value philosophy uses an integrated approach to implementing a client’s marketing research efforts. We generally initiate research with a comprehensive visitor profile report and competitive analysis of the Overnight Leisure visitor.
- We have collected U.S. traveler data since 1992 (domestic and international), which is sold on a syndicated basis and reduces the cost of data collection for all subscribers. Yet each of our destination clients receives a custom report of their information and their competitors. We can further “MINE” our data to provide clients with “niche” segmentation reports and origin market outbound travel reports.
- We also conduct awareness and usage studies, visitor satisfaction and value studies and work with clients to develop branding and communication strategies.
- We work with our clients to develop and pre-test advertising.
- We also measure the results of advertising campaigns and marketing efforts in the field.
- We have exclusive associations with other leading companies in specific research and economic disciplines that provide our clients with world class expertise in key areas of marketing research and accountability.
- This integrated approach is designed to maximize our client’s resources and produce actionable marketing intelligence, which we believe will produce better decision making and bottom line results.





- All of the information contained in this report is derived from D.K. Shifflet and Associates’ **DIRECTIONS®** tracking system.
Travel definition: An overnight trip or any day-trip greater than 50 miles one-way from home
- To meet the need for quality information, DKS&A conducts the largest, ongoing, monthly survey of U.S. consumers’ travel behavior—the **PERFORMANCE/Monitor**SM.
 - Each mailing goes to an average of 45,000 households per month.
 - Each survey collects the previous 3 months of travel behavior.
 - DKS&A uses an overlapping monthly mail sequence which reduces sample bias for maximum accuracy.
 - More than 75,000 traveling households respond to the survey each year. This results in more than 154,000 stays at destinations throughout the U.S.
 - New in 2005 - added an average of 9,000 online sample mailout per month
- Our methodology provides superior quality control measures:
 - We use the Synovate, Inc (formerly Market Facts, Inc.) household panel—households who have agreed in advance to periodically participate in mail and phone surveys. Extensive information about the household and its members is obtained at the time of household recruitment. Thus, a key advantage of the household panel is knowing to whom surveys are sent and from whom surveys are received. Another key advantage of the panel method is higher response rates to surveys—typically 2 to 3 times higher.
 - The 45,000 average monthly mailings are balanced to the U.S. population across six demographic variables (age, gender, income, education, number of adults, and state of residence). Returned questionnaires are re-balanced to these same variables. This re-balancing ensures findings reflective of the U.S. population and enables findings to be projectable to the entire U.S. population.



- Returned questionnaires go through an extensive set of manual (visual) and automatic (computer program) processing checks to improve data quality. Questionnaires containing anomalies are discarded or corrected based on insights developed from more than a decade of processing experience.

- All volume estimates in this report are based on a revised visitor volume methodology. The revisions reflect changes in the national-level model and the incorporation of a small-area estimation model. The national-level revisions were necessary following the dramatic changes to travel behavior following September 11, 2001. The small-area estimation component adds enhanced reliability to quarterly and annual estimates by using other data sources (such as hotel room demand and government transportation statistics) as data “anchors” or “reality checks.” Data reported reflect the influence of the revised volume model and the influence of revised population estimates resulting from the 2000 Census.

- Data tables that show all the detailed data collected in this study are delivered to the client. Responses are shown for the total sample as well as key subgroups. The percentages of some questions may exceed 100% due to the rounding of numbers and/or multiple responses permitted for that particular question.

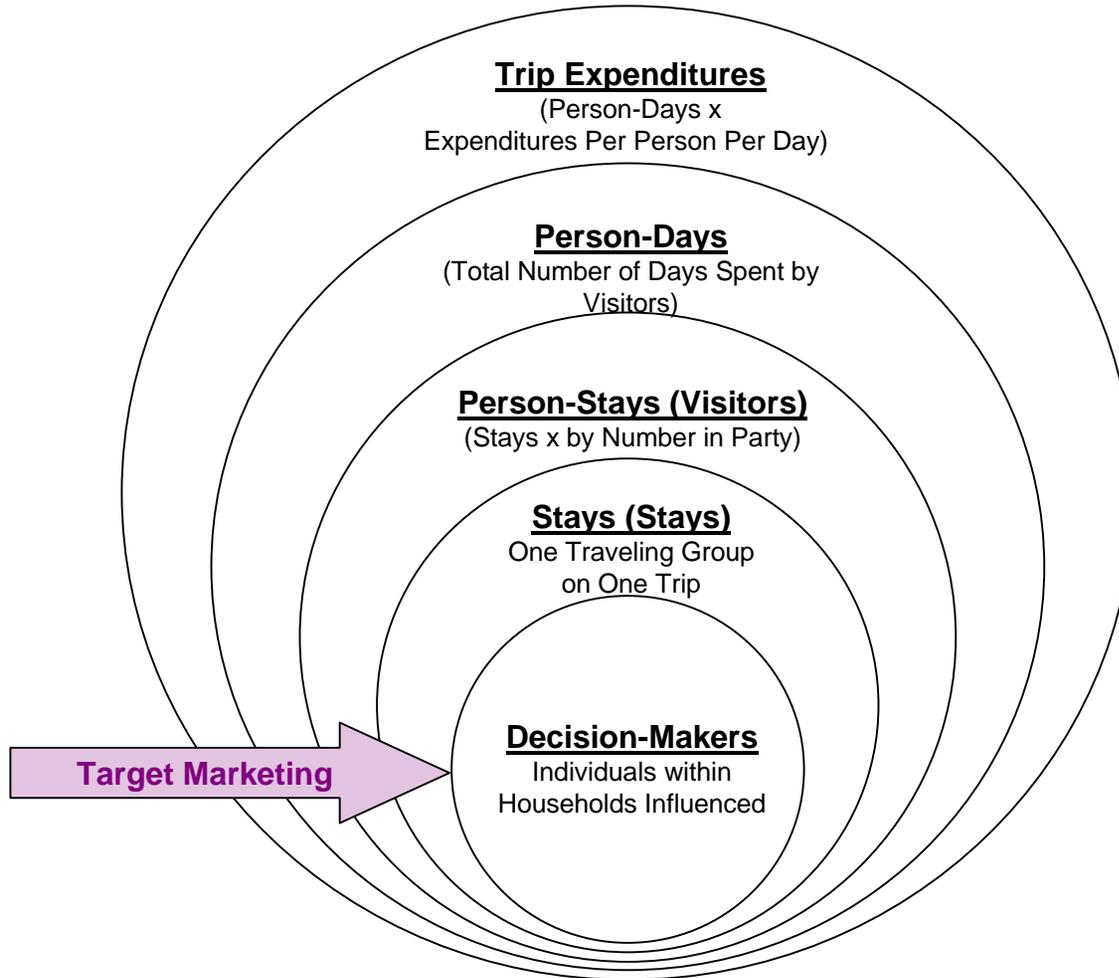


- *Objective* - Describe the *domestic Overnight Leisure* travel market in Idaho compared to the U.S. and competition.
- *Sampling Frame* - All U.S. domestic Overnight Leisure travelers on mail panel during 2005 in the following destinations:
 - U.S.
 - Idaho
 - Washington
 - Oregon
 - Montana
 - Wyoming
 - Utah
- *Timeframe*: Calendar years of 2000 through 2005.
 - Note: Travel Volume figures are compared on a year-over year basis, based on travel figures for the calendar years 2004 and 2005.
 - Activities, Origin Market and Spending figures, where appropriate, are analyzed on a rolled three-year basis, comparing combined calendar year 2000-2002 against combined calendar years 2003-2005.

Appendix C – Reporting Levels



- DKS&A can present the results of our *DIRECTIONS® PERFORMANCE/MonitorSM* study of U.S. travelers at many levels. Each level of reporting is used for different purposes.
- The smallest unit is the Decision-Maker, commonly the target of your marketing efforts. The largest measure of visitor volume is *Trip Expenditures* and answers the question “How much did they spend”?
- To answer the question of “How many people came and bought your product (destination)?”, we report the number of people who visited and how long they stayed, i.e., *Person-Days*. Person-Days is a cumulative measure of total volume of travel generated by travelers, and is therefore an appropriate measure to use when discussing a destination’s volume and relative market share.
- In contrast, the number of *Person-Stays* taken to a destination tells you how many people came to your destination, but not how long they stayed. For example, this measure tells you how many people traveled for Overnight Leisure. It does not tell you how long they stayed, just that they were there for leisure.
- People often travel together with family, friends or with other groups. The number of *Stays* tells you how many distinct groups of travelers came to your destination.





- In most cases, use of weights depends on what you are trying to learn through the data.
- There are not necessarily any “right” or “wrong” weights to use in most cases.
- However, there are some variables that **MUST** use a specific weight.
- A weight makes a particular case, or response, more or less important.
 - Unweighted Data
 - Respondent Weight
 - Travel Weights
 - Stays Weight
 - Person-Stays Weight
 - Person-Days Weight
 - Trip-Dollars Weight



- Unweighted data is the raw data.
- Contains no links to the population or DKS&A data modeling.
- It is simply respondent data as returned to us on the surveys.
- Note that we mail surveys out to a representative sample of the U.S. population (through our mail panel, called Synovate).
- However, the returned surveys are not representative.
- The returned surveys are the raw, unweighted data.
- When we “re-balance” the data based on population, we arrive at the Respondent-Weighted data.
- Use Unweighted data, or No Weight, when running sample counts in *DIRECTABS*SM (Distinct, Count).

Appendix C – Respondent Weight



- The Respondent Weight is the most basic form of weighted data to represent the U.S. population
 - Creates only links to the population and not to any modeling of the data.
- Weights the data by the demographic characteristics of age, gender, income, education, number of adults, and state of residence.
- Population distributions are obtained from the Current Population Survey’s Annual Demographic Survey, which is conducted by the U.S. Census Bureau for the Bureau of Labor Statistics.
- Again, we use the respondent weight to run the most “untouched data”. In other words, there are no other influences introduced from our data models.



- Stays Weight is the most basic travel weight. It is the broadest unit used for measuring a travel experience.
- To arrive at the stays weight, the respondent weight is adjusted based on certain variables in order to ensure that there are a certain number of trips that fit a certain number of standards.
 - These adjustments are based on length of stay, length of trip, mode of transportation, purpose of trip, and special adjustments for particular mailing months and destinations.
- Stays Weight reflects the “stay” in its rawest form: a little more subtle than the respondent weight.

Mr. & Mrs. Smith’s 5-day vacation in Anytown, USA = 1 Stays, or 1 visit, or 1 STAY.
- Keep in mind that a trip can have multiple stays.
 - For example, a person can travel from their house in Maryland, spend the day and night in Washington, D.C., then drive Philadelphia, PA for a day and night and then back home to Maryland. This is one trip, but two stays. DMOs profile the “stay” at the particular destination. States profile all stays that were part of the trip.
- After running data using no weights (or unweighted), then using the respondent weight, the stays weight is then a good weight to use to help explain causes of change in volume segments, because it is the purest way of looking at characteristics of the stay without any other influences. This progression of running data as unweighted, followed by the respondent weight, and finally using the stays weight is the appropriate progression to sorting out a data problem.
- The stays weight is the appropriate weight to use if you want to profile your Stays.



- **Person-Stays Weight** = The total number of people on a stay, regardless of the length of their stay. This measure generally equates to the number of visitors.

Stay Weight * Total Party Size

- Person-Stays weight is like Person-Days excluding the length of stay
- If you are running a “profile” of your visitors, this is the most common and proper weight to use, with a few exceptions.
- Use of this weight takes into account the number of people on a trip. Stays that are larger in size have higher person-trip weights, while Stays that are smaller in size have lower person-trip weights.

Mr. & Mrs. Smith’s 5 day vacation in Anytown, USA = 2 Person-Stays or 2 visitors.



- **Person-Days Weight** = The total number of people on a stay multiplied by the number of days they are on the stay. I.E. You and a friend go to Cleveland for a week (7 days). This would be 2 people x 7 days each = 14 Person-Days.

*Person-Stays * Number of Days in Stay*

- Use of this weight takes into account the number of people on the trip as well as how long they stayed. Stays that are larger in size and stayed for longer periods of time have higher Person-Day weights.
- The Person-Days weight is the best “proxy” weight for Trip-Dollars, because the Trip-Dollars weight has issues and is subject to very large variation due to smaller sample size and the nature of reporting information about money spent.

Mr. & Mrs. Smith’s 5 day vacation in Anytown, USA = 10 Person-Days (2 Person-Stays x 5 days)

Appendix C – Confidence Intervals



The confidence interval table indicates how well the data-based on a sample-reflects the entire population of travelers. The smaller the interval, the more accurate the data and the greater confidence we have that the sample number represents the population. For example, if the air travel finding for the U.S. is 10%-using the chart below-we can say that the actual proportion of the population is 10% plus or minus 0.2 percentage point. DKS&A uses a 90% confidence level. Because it reflects a good balance between accepting a difference in findings as real when it in fact is not, and rejecting a difference as not real, when it actually is (in statistical terms, the tradeoff between making a “Type I” and “Type II” error).

		1.0%	3.5%	7.5%	17.5%	50.0%
	Sample					
	Size for	0 to 2% or	2% to 5% or	5% to 10% or	10% to 25% or	
	2005	98% to 100%	95% to 98%	90% to 95%	75% to 90%	25% to 75%
Overnight Leisure Travel						
U.S.	71,445	0.1%	0.1%	0.2%	0.2%	0.3%
Idaho	579	0.7%	1.3%	1.8%	2.6%	3.4%
Comp Set	5,136	0.2%	0.4%	0.6%	0.9%	1.1%



D.K. SHIFFLET & ASSOCIATES, LTD
DIRECTIONS® PERFORMANCE MONITORSM
SURVEY QUESTIONS (3-17-05)

Sample Contacted Annually: 540,000 Households

45,000 Per Month - Every Month - Year After Year

[unless otherwise identified, each measure generally available by month back to 1992]

1. Age of Respondent [Open End/Actual]
 Gender of Respondent Male Female

2. List your frequent traveler programs and travel club memberships (name of airlines, hotels, rental cars, auto club: AAA, etc; AARP). (List up to 6)
 [Open End/Coded]

3. **Last 12 months**, number of nights you stayed in paid lodging (e.g. hotel, condo, ship, campground) for:

Business: Number of Nights	[Open End/Actual]
Leisure: Number of Nights	[Open End/Actual]
Theme Parks: Number of Times	[Open End/Actual] <i>Added 06/96</i>



4. **Past 3 months** travel, both business and leisure, how many did you take of:

- 4a. Overnight Trips: A night away from home, local or distant.
 Overnight Trips: Number of Times [Open End/Actual] (“0” if none)
- 4b. Day Trips: out of your local area (50+ miles one way).
 Day Trips: Number of Times [Open End/Actual] (“0” if none)

If “0” to both questions 4a and 4b, stop here. Otherwise continue with question 5.

5. Answer for all day and overnight trip(s) in the past 3 months. (up to 9 trips)

5a. **TRIP**

- Trip Start: Month and Date [Open End/Actual]
- Trip Length: Number of Nights [Open End/Actual] (“0” if day trip)
- Was the trip a group tour? [Y/N]

5b. **Stays COMPOSITION**

- Number of Men [Open End/Actual]
- Number of Women [Open End/Actual]
- Number of Kids Age 0-17 [Open End/Actual]
- Number from your Household [Open End/Actual]



5c. TRANSPORTATION

- Main Mode of Transportation:
- | | | | |
|---|------------|---|-----------------------|
| 1 | Airline | 6 | Van/ SUV/ Small Truck |
| 2 | Amtrak | 7 | Large Truck |
| 3 | Car | 8 | Ship |
| 4 | Bus | 9 | Other |
| 5 | Camper/ RV | | |

- Payment Method:
- | | | | |
|---|------------------|----|---------------------|
| 1 | Cash/ Check | 6 | Diners' Club |
| 2 | American Express | 7 | Other Card |
| 3 | MasterCard | 8 | Company Direct Bill |
| 4 | Visa | 9 | Points/ Miles |
| 5 | Discover | 10 | Other/ Free |

- Reservation Type:
- | | | | |
|---|--------------------|---|--|
| 1 | No Reservation | 5 | Airline Co. Website <i>Added 11/02</i> |
| 2 | 800 Phone # | 6 | Other Website <i>Added 11/02</i> |
| 3 | Corp. Travel Dept. | 7 | Other |
| 4 | Travel Agent | | |

AIRLINE

If used, name main airline: [Open End/Coded]

Satisfaction Rating: 1-10 Scale (1=Poor, up to 10=Excellent)

Value Rating: 1-10 Scale (1= Poor, up to 10 = Excellent)



RENTAL CAR

If rented a Car/Truck, name the company [Open End/Actual]

Satisfaction Rating: 1-10 Scale (1=Poor, up to 10=Excellent)

Value Rating: 1-10 Scale (1=Poor, up to 10=Excellent)

Car Rental Payment Method:

1	Cash/Check	6	Diners' Club
2	American Express	7	Other Card
3	MasterCard	8	Company Direct Bill
4	Visa	9	Points/ Miles
5	Discover	10	Other/ Free

5d. **EXPENDITURES BY CATEGORY** ("0" if none for You Only)

Trip Package \$ (Fly/Hotel, Cruise, Group Tour, etc.) [Open End/Actual]

NOT IN PACKAGE

Main Transportation \$	[Open End/Actual]	<i>Added 07/96</i>
Rental Car \$	[Open End/Actual]	<i>Added 07/96</i>
Food/Drink \$	[Open End/Actual]	
Entnment/Recreation \$	[Open End/Actual]	
All Shopping \$	[Open End/Actual]	
All other <u>except</u> Accommodations	[Open End/Actual]	



6. For all day and overnight trip(s) in the past 3 months, list each city visited.

6a. **WHERE and WHEN**

City (e.g. Miami): (If out of U.S., write city and country) [Open End/Coded]
 State (e.g. FL): [Open End/Coded]

CITY RATINGS

Overall Destination Rating: 1-10 Scale (1=Poor, up to 10=Excellent)
 Destination Value Rating: 1-10 Scale (1=Poor, up to 10=Excellent)
 Number of visits in the last 3 years: [Open End/Actual] *Added 05/96*
Changed 03/01

TRIP TIMING

Trip Start: Month and Day [Open End/Actual]
 Trip Length: Number of Nights [Open End/Actual] (*"0" if day trip*)



6b. PURPOSE OF STAY

	<i>Company Business</i>	<i>Leisure/Personal</i>	
"Group Meeting"	1 Convention	10 Getaway Weekend	"Leisure Vacation"
	2 Training/ Seminar	11 General Vacation	
	3 Other Group Meeting	12 Visit Friend/ Relatives	"Leisure Non- Vacation"
	4 Client Service, Consulting	13 Special Event	
	5 Inspection, Audit	14 Other Personal	
"Transient Business" <i>Changed 03/01</i>	6 Construction, Repair		
	7 Sales, Purchasing		
	8 Government/ Military		
	9 Other Company Business		

Both Leisure and Business? [Y/N] *Added 03/01*

ACTIVITIES

List primary activities for each visit (list up to 4) and circle activity if it was main reason for the trip:

- | | |
|---|---|
| 1 Eco-Travel <i>Added 03/01</i> | 11 Hunt, Fish, etc. |
| 2 Parks: National, State, etc. | 12 Snow Ski, Snow Board |
| 3 Visit Historic Sites | 13 Other Adventure Sports |
| 4 Museum, Art Exhibit, etc. <i>Added 03/01</i> | 14 Play Golf |
| 5 Concert, Play, Dance, etc. <i>Added 03/01</i> | 15 Beach/ Waterfront |
| 6 Festival, Craft Fair, etc. | 16 Boat/ Sail |
| 7 Night Life | 17 Show: Boat, Car, Home, etc. |
| 8 Gamble | 18 Theme/ Amusement Park |
| 9 Watch Sports Event | 19 Touring/ Sightseeing |
| 10 Hike, Bike, etc. | 20 Look at Real Estate <i>Added 06/03</i> |



6c. OVERNIGHT ACCOMMODATION

ACCOMMODATION STAYED

Name of Hotel/ Motel, Shipline, etc. (use chain/ hotel, and extension names, e.g. Seasons Inn Express). [Open End/Coded] *If friend/ relatives' home, use "Friend"*

ACCOMMODATION RATINGS

Overall Satisfaction: 1-10 Scale (1=Poor, up to 10=Excellent)
 Value Rating: 1-10 Scale (1=Poor, up to 10=Excellent)
 Service Rating: 1-10 Scale (1=Poor, up to 10=Excellent)

How many stayed in your room: [Open End/Actual]
 Suite Room? [Y/N]

Location of Accommodation:

1	Airport	5	Small Town
2	Downtown	6	Government Park
3	Suburban	7	Ship
4	Highway	8	Other

Type of Accommodation:

1	"All Suite" Hotel	7	Ship/ Cruise
2	Resort Hotel	8	My 2nd home/ apt/ condo
3	Hotel/ Motel	9	Home/ apt/ condo (not mine)
4	Timeshare	10	Corporate Apartment <i>Added 07/04</i>
5	Bed & Breakfast	11	Other
6	Camping/ RV		

Appendix D – Questionnaire (continued)



- Reservations for Accommodations:
- | | | | |
|---|--------------------|---|--|
| 1 | No Reservation | 5 | Travel Agent |
| 2 | Chain 800 phone # | 6 | Hotel Chain Website <i>Added 11/02</i> |
| 3 | Direct to location | 7 | Other Website <i>Added 11/02</i> |
| 4 | Corp. Travel Dept. | 8 | Other |
- How Paid for Accommodations:
- | | | | |
|---|----------------------|---|----------|
| 1 | Self/Friend/Relative | 4 | Per Diem |
| 2 | Expense Account | 5 | Free |
| 3 | Company Direct Bill | | |
- Payment for Accommodations:
- | | | | |
|---|------------------|----|---------------------|
| 1 | Cash/ Check | 6 | Diner's Club |
| 2 | American Express | 7 | Other Card |
| 3 | MasterCard | 8 | Company Direct Bill |
| 4 | Visa | 9 | Points/ Miles |
| 5 | Discover | 10 | Other/ Free |

ACCOMMODATION EXPENDITURE

- | | |
|-----------------------------------|--------------------------|
| Dollars Per Night (Room Only) | [Open End/Actual] |
| Total Hotel/ Lodging Bill | [Open End/Actual] |
| Special Deal? | [Y/N] |
| If in area again, will stay here? | [Y/N] <i>Added 11/03</i> |



DEMOGRAPHICS

Number of Persons in Household:[Actual]

Annual Household Income:	1	Less than \$5,000	15	\$40,000-\$44,499
	2	\$5,000-\$7,500	16	\$45,000-\$49,999
	3	\$7,500-\$9,999	17	\$50,000-\$59,999
	4	\$10,000-\$12,499	18	\$60,000-\$74,999
	5	\$12,500-\$14,999	19	\$75,000-\$84,999
	6	\$15,000-\$17,499	20	\$85,000-\$99,999
	7	\$17,500-\$19,999	21	\$100,000-\$124,999
	8	\$20,000-\$22,499	22	\$125,000-\$149,999
	9	\$22,500-\$24,999	23	\$150,000-\$174,999
	10	\$25,000-\$27,499	24	\$175,000-\$199,999
	11	\$27,500-\$29,999	25	\$200,000-\$249,999
	12	\$30,000-\$32,499	26	\$250,000-\$299,999
	13	\$32,500-\$34,999	27	\$300,000
	14	\$35,000-\$39,999		

Occupation of Adult Heads of Household:

1	Managerial/Professional	6	Operator, Laborer
2	Technical, Sales, Admin. Support	7	Student, Other
3	Service	8	Retired
4	Farming, Forestry, Fishing	9	Not Employed
5	Craftsman, Repairman		



Education of Adult Heads of Household: *Changed 10/02*

- | | |
|--------------------------|-------------------------|
| 1 Attended Grade School | 5 Attended College |
| 2 Graduated Grade School | 6 Graduated College |
| 3 Attended High School | 7 College Post Graduate |
| 4 Graduated High School | |

Marital Status of Head of Household:

- | | | |
|-----------|-----------------|--------------------------------|
| 1 Married | 2 Never Married | 3 Divorced/ Widowed/ Separated |
|-----------|-----------------|--------------------------------|

Children in Household (Age and Gender): [Actual]

Location of Household: State, DMA, ZIP Code, MSA, County

PRIZM coded respondents to block level address

All can be linked to Claritas PRIZM/Clusters and other databases

Available to clients as special purchase.



Table 1: Economy in Review - Other Economic Indicators

	Annual Totals				% Change		
	2005	2004	2003	2002	05/04	04/03	03/02
Consumer Confidence Index (base: 1985=100)	103.6	95.97	79.56	96.62	N/A	N/A	N/A
Real Gross Domestic Product (billions 000 \$)	\$11,221	\$10,756	\$10,321	\$10,049	3.50%	4.20%	2.70%
Per Capita Disposable Personal Income	\$27,376	\$27,232	\$26,788	\$26,356	0.51%	1.70%	1.60%
Per Capita Personal Consumption Expenditure	\$26,487	\$25,964	\$25,302	\$24,773	2.02%	2.60%	2.10%
Consumer Price Index (base: 1982-1984=100)	195.3	188.9	184.0	179.9	3.40%	2.70%	2.30%
Travel Price Index	221.4	210.2	201.1	196.8	5.32%	4.50%	2.20%
Unemployment Rate	5.10%	5.50%	6.00%	5.70%	N/A	N/A	N/A

Sources: Economic Indicators - Department of Commerce Bureau of Economic Analysis
 Travel Price Index – Tourism Industry Association (TIA);
 Consumer Confidence Index – Conference Board Consumer Confidence Survey



Travel Volume and Expenditures:

- In 2005, the travel industry too enjoyed a continued growth from 2004. Domestic Person-Stays and Person Day volume continued to grow moderately from 2004. Leisure travel continued to be strong with Overnight Leisure travel up by 2.9%. Business travel has increased at the rate of 6.8%, with the growth mainly in day Stays up by 11.9%. Overnight business travel was up by only 0.6%.
- Total travel spending continued to be growing rapidly and stood at \$700 billion in 2005. The increase in travel spending can be attributed to spending on day business and Overnight Leisure travel.
- The good economy brought about an increase in the lodging industry coming almost exclusively from the leisure sector. There were about 950 million domestic Room Nights sold in the United States. This figure is an increase of 5.9% over the peak of 897 million Room Nights in 2000.
- The U.S. economy bounded ahead in the first quarter of 2005 fuelled largely by consumer spending. GDP grew at an annual rate of about 5%, the most in more than two years. Economists forecast spending will rise at an annual rate of 3 percent from April through June and the economy will expand at a 3.3 percent pace. Rising energy prices and a slowing housing market will cool growth, but growing business investments will sustain growth in the next 3 quarters.

See Table 2 for details of U.S. domestic travel statistics for 2005.

Appendix E – 2005 Economy in Review (continued)



Table 2: Economy in Review - U.S. Volume and Direct Spending

	2005	2004	2003	2002	05/04	04/03	03/02
Hotel Room Night Volume (millions)							
Total	950.0	923.1	884.0	869.2	2.9%	4.4%	1.7%
Business	456.5	460.9	454.1	461.2	-1.0%	1.5%	-1.6%
Leisure	493.5	462.2	429.9	408.0	6.8%	7.5%	5.4%
Stays Volume (millions)							
Total	1,383.9	1,346.2	1,301.8	1,267.2	2.8%	3.4%	2.7%
Day	706.1	679.8	659.9	651.8	3.9%	3.0%	1.2%
Overnight	677.8	666.5	641.9	615.4	1.7%	3.8%	4.3%
Overnight Business	210.5	211.8	204.9	206.3	-0.6%	3.4%	-0.7%
Overnight Leisure	467.3	454.7	437.0	409.1	2.8%	4.0%	6.8%
Person-Stays Volume (millions)							
Total	3,022.8	2,903.0	2,796.7	2,684.5	4.1%	3.8%	4.2%
Day	1,559.3	1,474.1	1,428.3	1,385.9	5.8%	3.2%	3.1%
Overnight	1,463.5	1,428.9	1,368.4	1,298.5	2.4%	4.4%	5.4%
Overnight Business	327.4	325.5	310.2	309.9	0.6%	4.9%	0.1%
Overnight Leisure	1,136.1	1,103.4	1,058.2	988.6	3.0%	4.3%	7.0%
Person-Days Volume (millions)							
Total	6,596.4	6,430.6	6,179.7	5,903.7	2.6%	4.1%	4.7%
Day	1,169.5	1,105.6	1,071.2	1,039.5	5.8%	3.2%	3.1%
Overnight	5,426.9	5,325.0	5,108.5	4,864.3	1.9%	4.2%	5.0%
Overnight Business	1,203.0	1,199.6	1,126.2	1,127.1	0.3%	6.5%	-0.1%
Overnight Leisure	4,223.8	4,125.3	3,982.3	3,737.1	2.4%	3.6%	6.6%
U.S. Travel Spending (millions)							
Total	\$700,188	\$679,003	\$624,847	\$587,485	3.1%	8.7%	6.4%
Day	\$124,119	\$119,639	\$105,611	\$102,104	3.7%	13.3%	3.4%
Overnight	\$576,069	\$559,364	\$519,236	\$485,381	3.0%	7.7%	7.0%
Overnight Business	\$167,058	\$165,476	\$157,290	\$157,768	1.0%	5.2%	-0.3%
Overnight Leisure	\$409,011	\$393,887	\$361,946	\$327,613	3.8%	8.8%	10.5%

Appendix F – 2005 Travel Industry Overview



Economic Indicators

Fuel/Gas Prices

Hurricane Katrina and the Devastating 2005 Hurricane Season

International Travel Volume

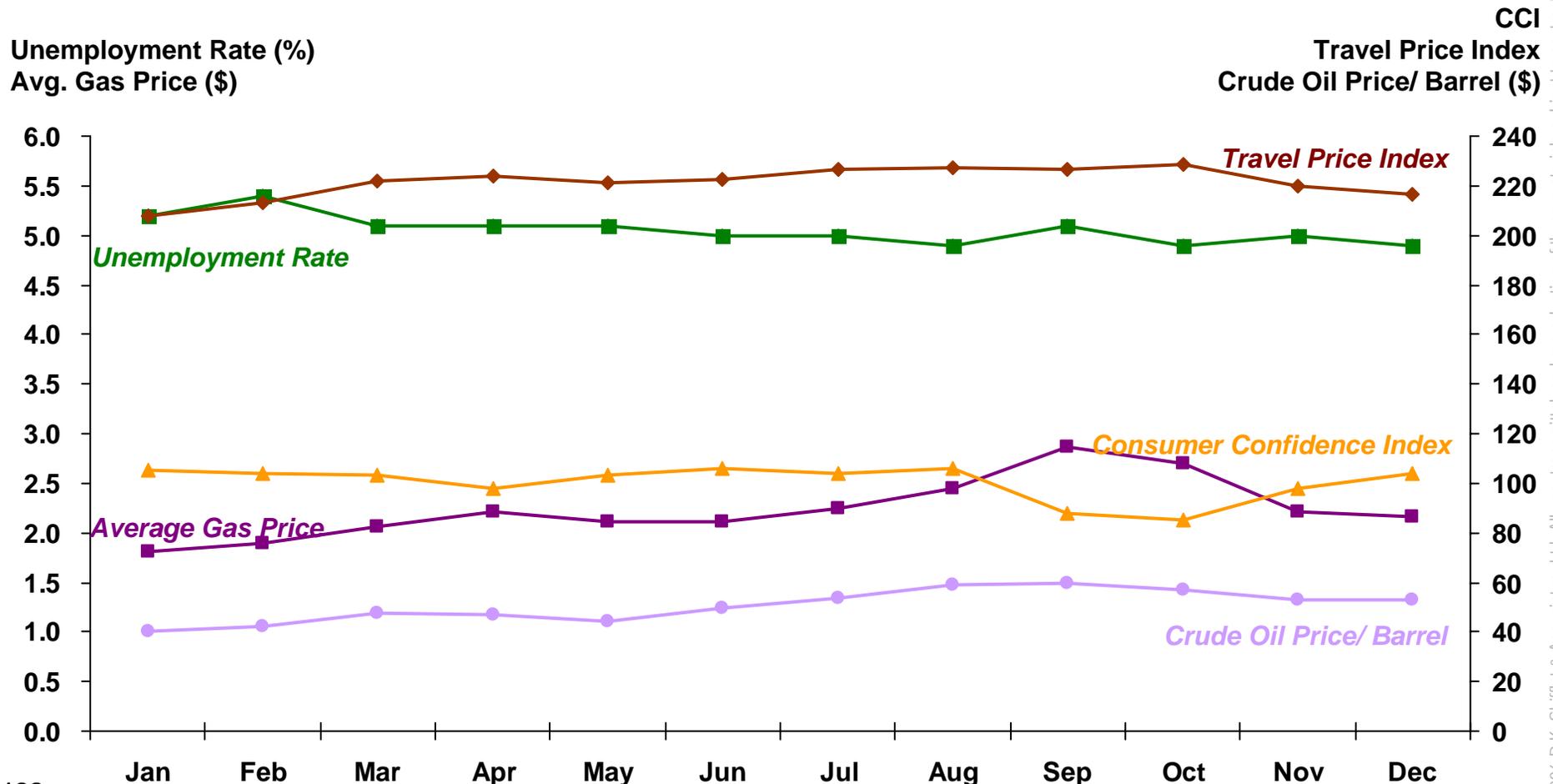


- In 2005, the U.S. economy (GDP) grew by 3.5% with most growth occurring in the first three quarters. A slowdown in the fourth quarter primarily reflected a deceleration in consumer spending amid fears about rising energy prices and diminishing employment prospects after Hurricane Katrina.
- Personal disposable income per capita was up in 2005, again a slight increase from 2004. The increase was still less than was enjoyed in the previous years.
- The growth in GDP and disposable income was also accompanied by an improvement in the unemployment rate that closed the year at 5.0% compared to the previous year of 5.9%.
- Consumer Confidence provided a mirror image to the unemployment rate. By the end of December 2005, Consumer Confidence stood at 103.6, up from 95.97 in December 2004.
- Likewise Consumer Confidence mirrored gas prices. By the end of December 2005, Consumer Confidence improved as gas prices decreased.
- Increases in crude oil prices had a direct effect on the Travel Price Index, and both the U.S. Origin and U.S. Foreign Air Travel Price Indices.

Appendix F – 2005 Economic Indicators



- The most interesting relationship in the graph below is that of the Consumer Confidence Index and the Average Gas Prices; as Gas Prices increased, Consumer Confidence decreased.

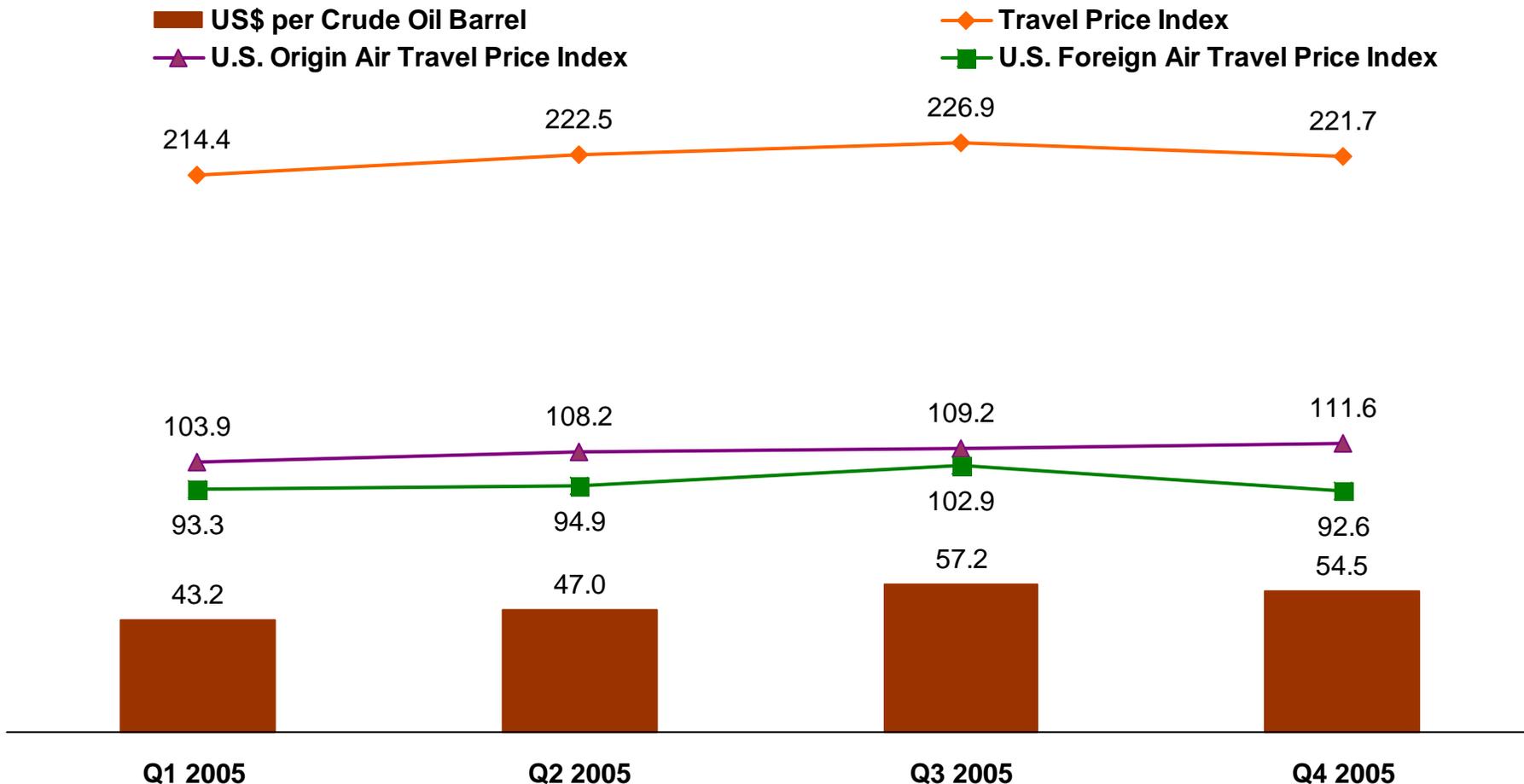


Source: Energy Information Administration, TIA, Conference Board, US Department of Labor

Appendix F – Travel Price Index by Cost for Crude Oil Barrel



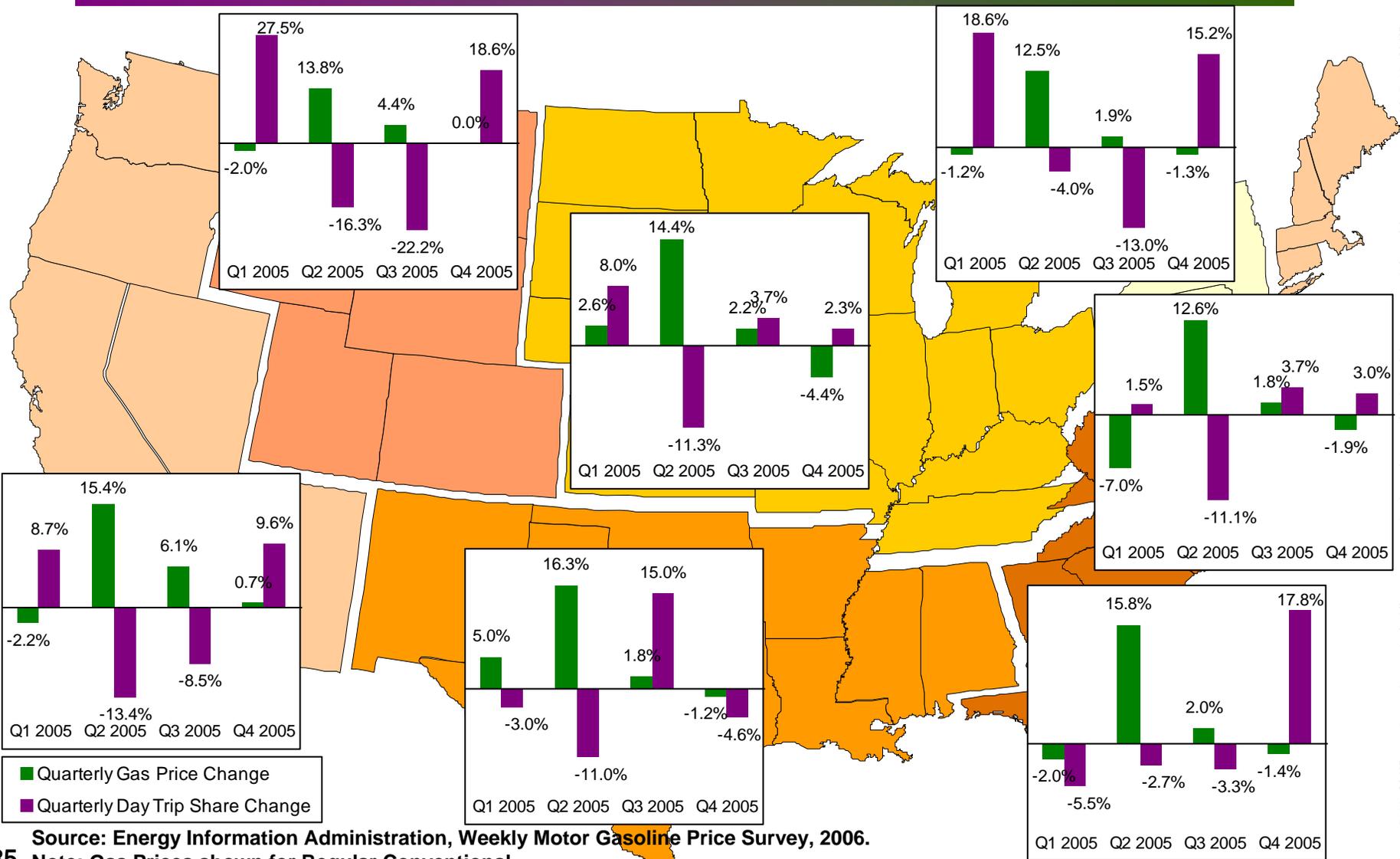
As the price of crude oil increased in Quarters 2 and 3, Travel Price Index, and both the U.S. Origin and U.S. Foreign Air Travel Price Indices increased.





- Average price per barrel of U.S. crude oil was \$50.26 in 2005 accounting for 70% of the rise in industry fuel bill
- Airline industry fuel costs are estimated to have risen to 23% of operating expenses, up from 17% (2004), 14% in 2003
- Gas prices jumped 41 cents a gallon in September over the previous month to a nationwide average \$2.86 for regular unleaded, the highest in years
- The average gas price per gallon in 2005 (\$2.24) was 43 cents more (up 24%) than a year ago but the travel price index for food, beverage and lodging were only up 3% in 2005 over 2004.
 - During the months of September and October, when gas prices were the highest, the Consumer Confidence Index was the lowest, at 88 and 85, respectively
- By a vote of 249-183, the House approved a comprehensive new energy bill designed to increase domestic energy supplies and lessen the nation’s dependence on foreign oil (Q2)
- Transportation companies use the rise in gas prices to slap customers with fuel surcharges
 - Did not encourage summer vacationer to take fewer trips
- Travelers who finalized their plans were unlikely to cancel their trips
 - However, travelers who did not finalized their plans most likely decided to stay closer to home. There is the possibility that travelers postponed travel in the short term, while waiting to see if gas prices stabilize or drop
- Historically, AAA reports that the price of gas has never stopped people from traveling. TIA research shows that people tend to modify their trips to offset higher travel prices, including gas
 - However, concerns about availability have had an effect in the past

Appendix F – 2005 Quarter over Quarter U.S. Average Gas Price vs. Leisure Day Trip Share Change (by Car)



Source: Energy Information Administration, Weekly Motor Gasoline Price Survey, 2006.

185 Note: Gas Prices shown for Regular Conventional

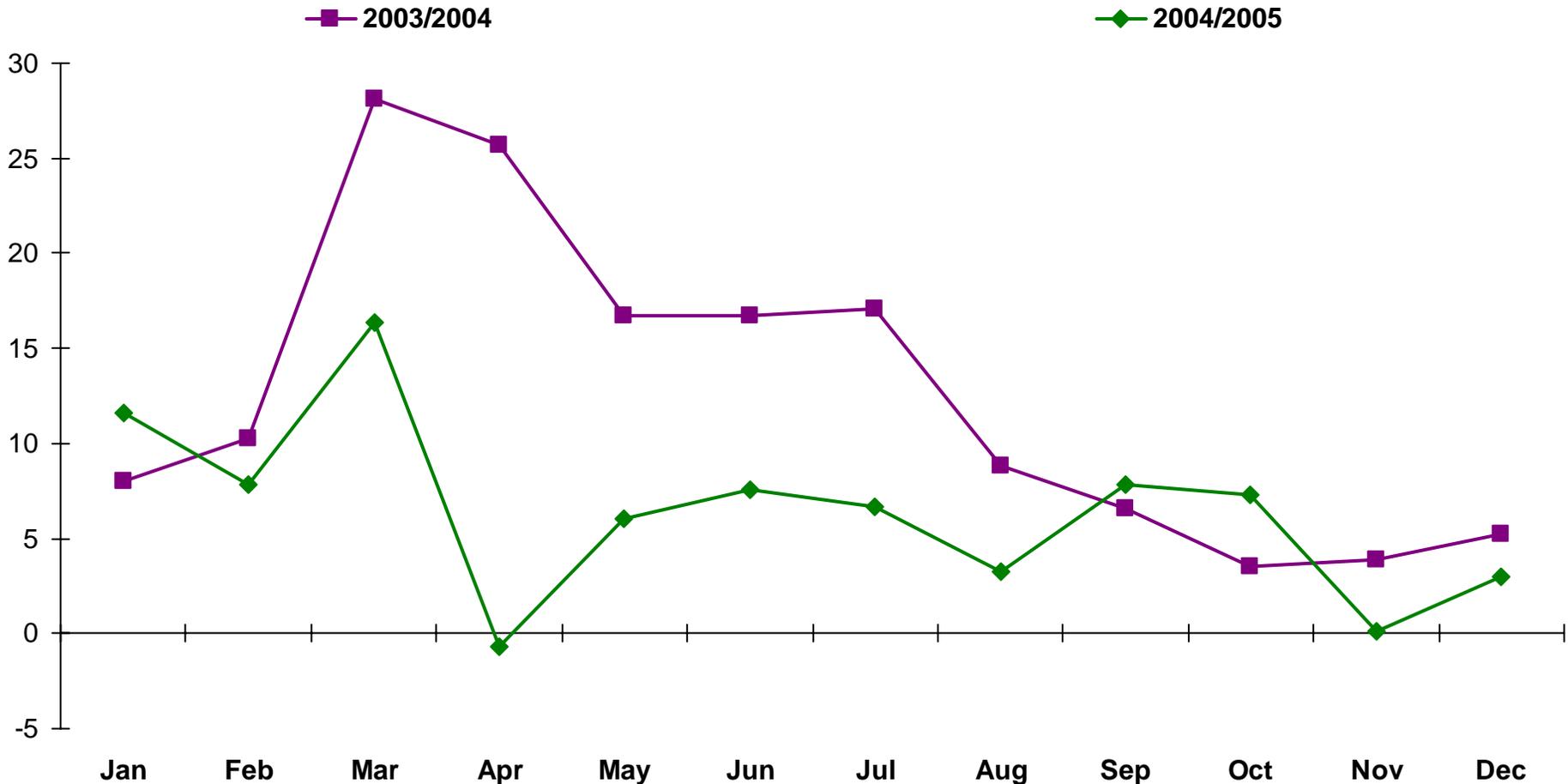


- Gas prices soared in Quarters 3 and 4, up 54% and 24%, respectively, over the same quarters in 2004
- The Gulf Coast region’s tourism industry faced a major blow as it was forced to cancel or reschedule conventions and trade shows
 - Drained as much as \$50 millions in tourism revenue
 - Fourth quarter leisure travel dropped significantly in and from affected states
- New Orleans and other parts of Louisiana were especially hit with TIA estimations of \$37 million losses in tourism daily
- Hurricane Katrina shut down an estimated 1 million barrels of refining capacity in the region
- TIA’s Travel Price Index rose from previous month due to spiraling gasoline prices
- Weak fall travel season due to a combination of soaring gas prices, Hurricane Katrina, a weak job outlook and shaky consumer confidence



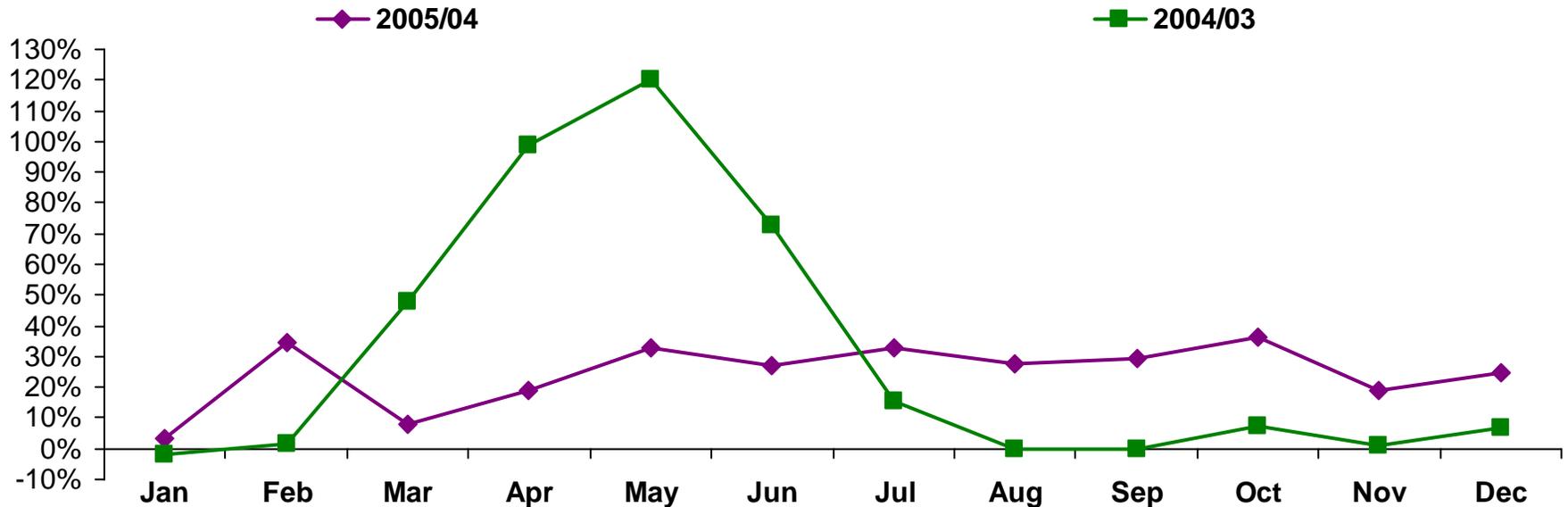
- Residents of the Gulf Coast states of Alabama, Louisiana and Mississippi were severely impacted by Hurricane Katrina.
- Estimates of the economic loss of the Travel and Tourism Industry in those states are \$18.3 billion in spending in travel-related businesses; 260,000 jobs (equates to 18% of total employment in all three states)
 - Louisiana: \$13.5 billion in travel spending; 191,000 jobs; Ongoing losses of \$37 million per day
 - Mississippi: \$2.8 billion in travel spending; 38,000 jobs; Ongoing losses of \$7.7 million per day
 - Alabama: \$2 billion in travel spending; 30,000 jobs; Ongoing losses of \$5.5 million per day
 - Travel or a decline in travel by residents of these states will impact many other states throughout the South and Nation.
 - Travelers from Alabama, Louisiana and Mississippi in September thru December of 2004 spent over \$7 billion in their home states and across the U.S.
 - On a share basis, Alabama felt the greatest impact with a loss of almost 300,000 person-Stays and more than 13% of annual tourism revenue.

Appendix F – Change of U.S. Inbound Travel From Western Europe (2003/04 vs. 2004/05/% Change)





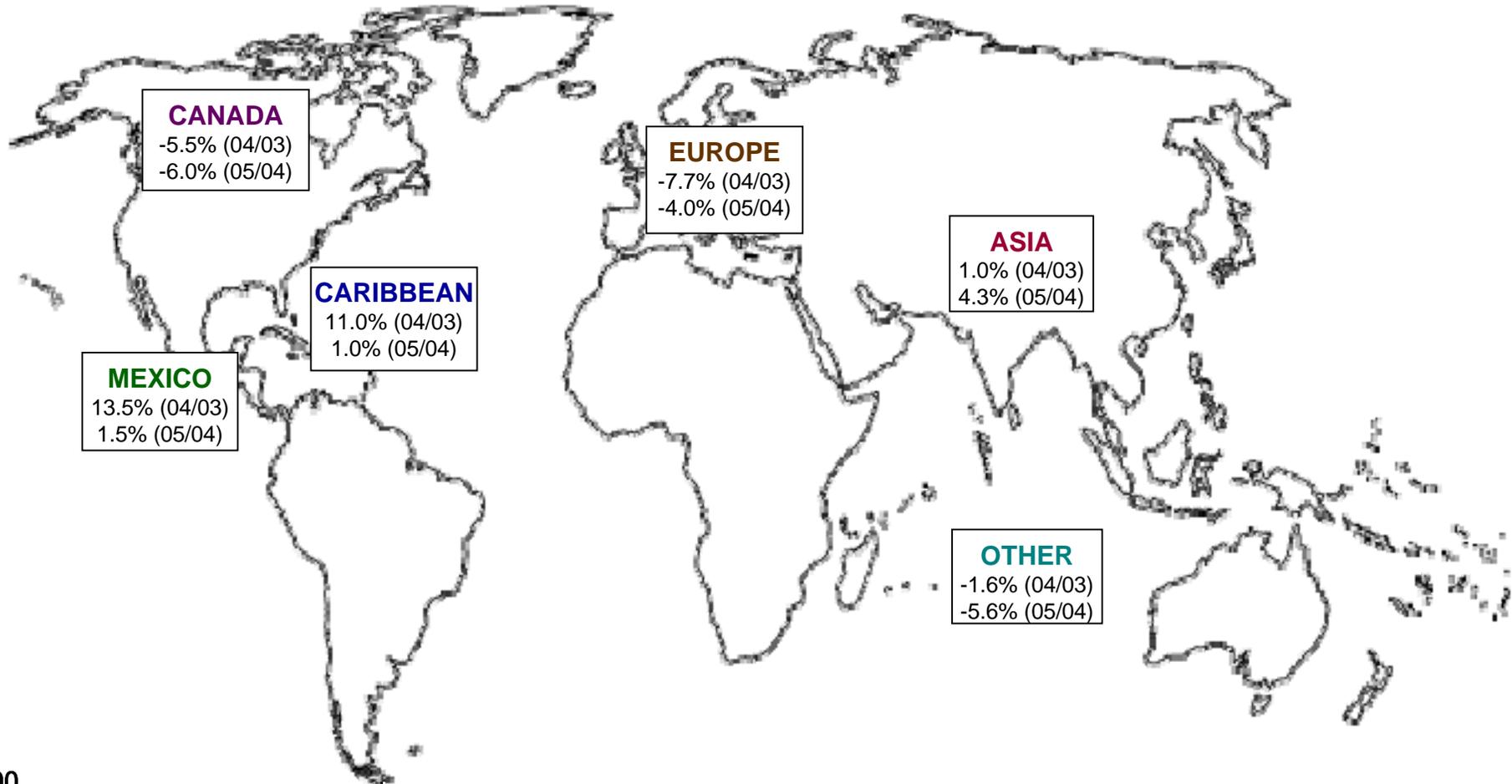
- International outbound travel data shows strength:
 - Growth predicted for tourism in the Middle East
 - Pacific Asia Travel Association’s Strategic Intelligence Center estimated growth in Asian Pacific arrivals
 - Bird flu scare had no affect on business travel
- Weakness of US\$ against Euro and British Pound has given foreign visitors a chance to see the U.S. at bargain prices
 - But did not dampen foreign travel by Americans
- Passports were required in 2005 when traveling from Canada, Mexico, and Caribbean to U.S., as opposed to the identification cards used to travel between these countries in previous years
- Airlines will beef up service to China as the US and China relax their visa requirements.
 - The chart below shows the percent change in travel from China to the U.S. from 2004 to 2005



U.S. Resident Outbound Travel Volume Change
(2003/2004 vs. 2004/2005/% of Paid Hotel/Motel Room Nights)



2005 U.S. Outbound travel remains down in Northern regions: Canada and Europe, and up in Southern regions: Caribbean, Mexico and Asia





National Trends:

- Hawaii, Las Vegas, and New York City are the hottest U.S. destinations while Rome, Caribbean Islands, and London make most desirable international tourist spots
- San Diego most desirable place to hold meeting, followed by San Francisco and Orlando

Quarter 1, 2005

- Devastating tsunami hit the Indian Ocean on December 26, 2004 . Economists anticipate that one of the world's worst human disasters may have a relatively marginal economic impact
- Airlines beef up service to China as the U.S. and China relaxed their visa requirements
- Transportation Security Administration certified more precise screening machines in airports

Quarter 2, 2005

- The State Department rolled out a new national security plan that will require U.S. citizens to carry passports when traveling home from Canada, Mexico and the Caribbean

Quarter 3, 2005

- Synchronized bomb attacks on London's transit system on July 7th , 2006 and three smaller explosions went off on London's buses two weeks later
- Hurricane Katrina hit in August
- Gas prices peaked in September

Quarter 4, 2005

- Consumer Confidence peaked in October
- Major earthquake devastates South Asia
- Bird Flu scare
- Average daily room rates increased according to Smith Travel Research