

A scenic view of the Golden Gate Bridge in San Francisco, California. The bridge's iconic red-orange towers and suspension cables are prominent against a clear blue sky. The bridge deck is filled with cars, and the surrounding landscape includes green hills and a body of water. In the foreground, there are out-of-focus green plants with yellow and purple flowers.

Q1 2019 – TTA Topline Quarterly Insights

Prepared: August 2019



Davies Pacific Center 1250, 841 Bishop Street, Honolulu, Hawai'i 96813
Telephone: 1-808-528-4050; Fax: 1-808-538-6227
www.omnitrak@omnitrakgroup.com

Topline Takeaways

Nationwide leisure travel held steady heading into the first quarter of 2019, and TravelTrakAmerica Travel Confidence indicators suggest that travel demand will hold steady moving forward

1

First Quarter 2019: Americans reported taking 286 million leisure person trips in the first quarter of 2019, a level relatively even (-0.2%) with the number of person trips logged nationally for the opening quarter of 2018. However, while leisure travel held steady, a drop in business person trips (-14.6%) pulled overall travel -2.9 percent down below prior (record) year levels.

2

Looking Ahead: While travel and tourism is generally at peak levels, TravelTrakAmerica Travel Confidence indicators show that interest in travel continues strong. More than nine-out-of-10 travelers (91%) surveyed in the first quarter said they were more interested (49%) or just as interested (42%) in traveling as they were compared to a year ago. However, Travel Confidence indicators also showed that affordability (i.e., 39% of travelers see travel as less affordable than a year ago) and personal finances (i.e., 29% of travelers feel their personal finances are less conducive to travel) are the two greatest concerns that could slow conversion of this strong interest in travel into actual trips.

Topline Takeaways (...continued)

Within the national travel marketplace...

3

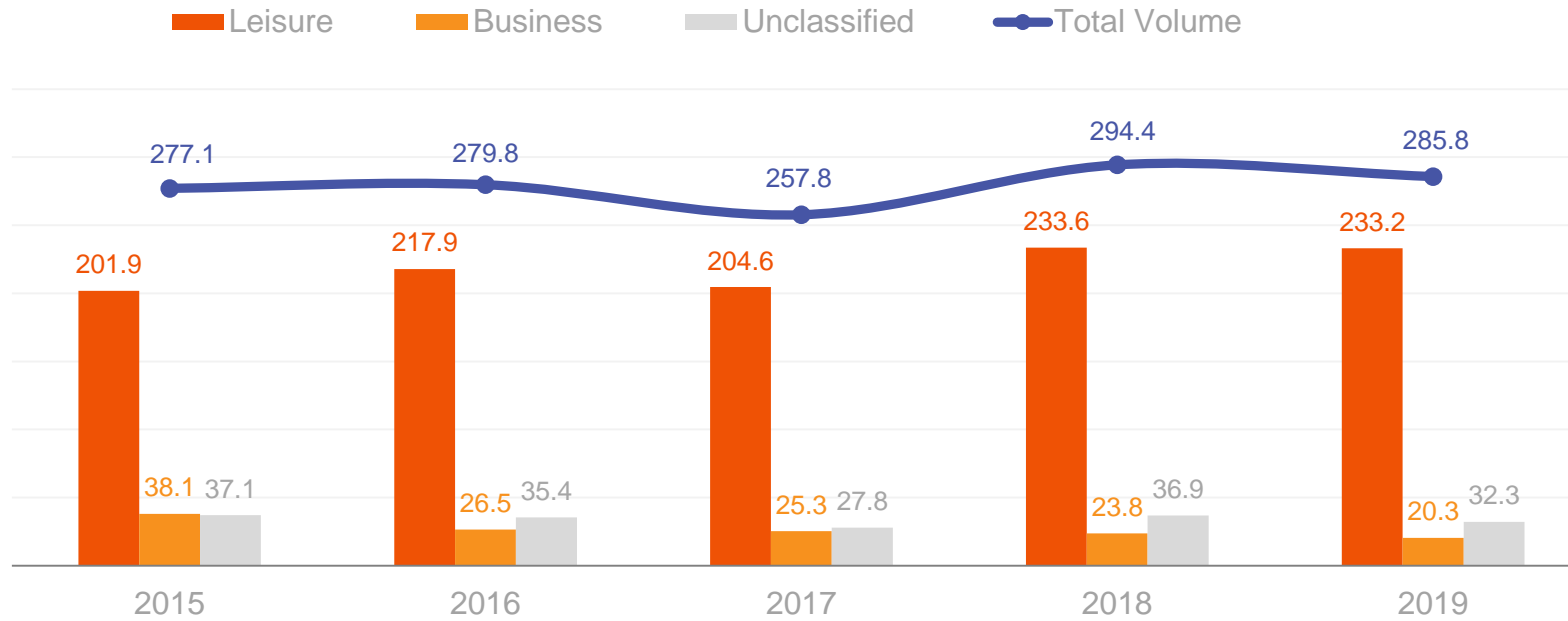
Alternative Accommodations Become Alternatives: While hotels held steady as the most popular type of accommodations used by overnight travelers (i.e., 59% of overnight travelers used hotels in both 2019 Q1 and 2018 Q1), Sharing Economy (+3 points to 6% of travelers in 2019 Q1) and B&B's (+2 points to 5%) accommodations attracted a growing share of travelers in the opening quarter of the year. As overnight travelers' use of private homes (-2 points), rental condos (-1 point), timeshares (-1 point) and second home/condos (-1 point) declined in the first quarter, these shifts in the marketplace suggest that travelers are trading one type of alternative accommodations (e.g., rental condo, timeshare) for another (e.g., sharing economy), more so than trading use of hotel accommodations for alternative accommodations.

4

Personal Vehicle Use Declines: Travelers' use of personal vehicles declined in the first quarter of 2019, on both a primary mode of transport (- 2 points to 73%) and multi-mode of transport (- 4 points to 74%) basis. By comparison, use of other top modes of transport (i.e., airplanes and rental cars) held relatively steady.

Travel volume returns to earlier levels in Q1 2019, following last year's spike

Travel Volume (Person-Trips) Q1: 2015 – 2019
(000,000)



| | % Change 2019 vs. 2018 | % Change 2019 vs. 2017 |
|----------|------------------------|------------------------|
| Total | -2.9% | 10.9% |
| Leisure | -0.2% | 14.0% |
| Business | -14.6% | -19.8% |

Green = improvement; Red = drop

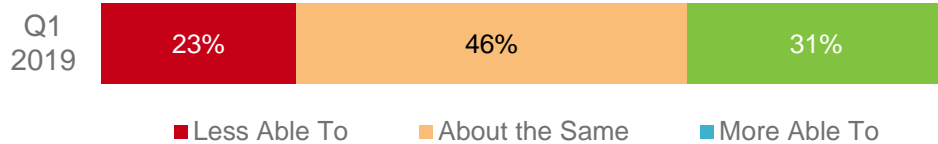
Travel Volume – Q4a and Q1b. (Trip Level, Projected Q4a/d Weight)

Looking Ahead: Travel Confidence measures indicate that nearly all travelers (91%) are more interested/just as interested in traveling as they were a year ago. However, travel affordability and personal finances could be a concern

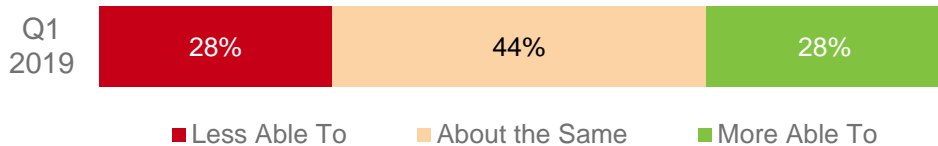
How has your interest in taking a leisure trip changed?



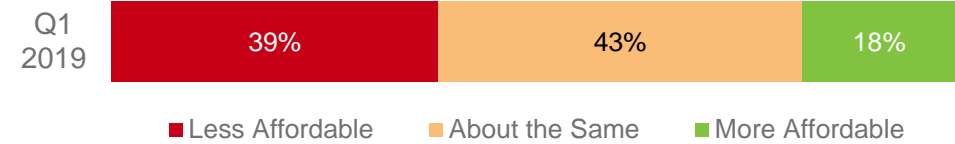
Thinking about the different demands on your time, how has your ability to take a leisure trip changed?



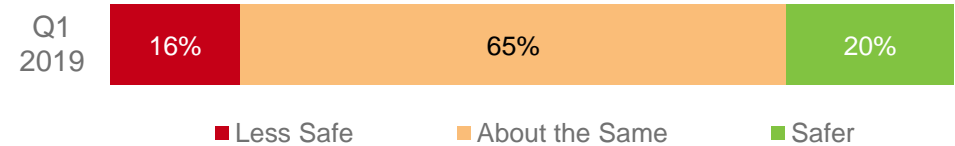
Given your personal finances, how has your ability to take a leisure or leisure/business trip changed?



Thinking about how much you have to spend for airfare, accommodations, ground transportation, shopping entertainment, etc., is the cost of leisure travel now ...



Would you say that, for people like you, travel is ...



Q38. Current feelings/situation regarding a trip compared to a year ago (Interview Level; Demo Weight)

Accommodations: Overnighters usually stay in hotels or private homes, but shared economy properties gain

All Accommodations Types
Trend Q1: 2015 - 2019

| | 2015 | 2016 | 2017 | 2018 | 2019 | %-Pt. Change 2019 vs. 2018* |
|----------------------------|------|------|------|------|------|-----------------------------|
| Hotel | 55% | 56% | 58% | 59% | 59% | 0 |
| B&B | 2 | 3 | 3 | 3 | 5 | +2 |
| Shared Economy | na | 3 | 3 | 3 | 6 | +3 |
| Private Home | 39 | 36 | 33 | 34 | 32 | -2 |
| Personal Second Home/Condo | 4 | 4 | 4 | 4 | 3 | -1 |
| Rental Condo | 2 | 3 | 2 | 2 | 1 | -1 |
| Rental Home | 2 | 2 | 2 | 2 | 1 | -1 |
| Time Share | 2 | 3 | 2 | 2 | 1 | -1 |
| RV/Tent | 2 | 3 | 2 | 2 | 2 | -1 |
| Other | 4 | 5 | 5 | 4 | 3 | -1 |

Green = gain; Red = drop
*decimals rounded

Q4f. Accommodation Choices, Incidence Based to Total Overnighters (More Than 1 Type Allowed) (State Level (Domestic); Demo Weight)

Mode of Travel: Fewer travelers note multiple modes of transportation ...

All Modes Travel Trend Q1: 2015 - 2019

| | 2015 | 2016 | 2017 | 2018 | 2019 | %-Pt. Change 2019 vs. 2018* |
|---------------------------|------|------|------|------|------|-----------------------------|
| Own Auto/Truck | 78% | 79% | 76% | 78% | 74% | -4% |
| Airplane | 19 | 15 | 19 | 18 | 17 | -1% |
| Rental Car | 11 | 11 | 13 | 10 | 10 | -1% |
| Bus | 4 | 4 | 4 | 4 | 2 | -1% |
| Train | 4 | 3 | 3 | 3 | 2 | -1% |
| Shared (Uber, Lyft, etc.) | na | na | 5 | 6 | 3 | -2% |
| Taxi | na | na | 4 | 3 | 2 | -2% |
| Ship/Boat | 2 | 2 | 3 | 2 | 2 | -1% |
| Camper/RV | 2 | 2 | 2 | 2 | 1 | -1% |
| Motorcoach/Group Tour | 2 | 2 | 2 | 2 | 0 | -1% |
| Motorcycle | 2 | 2 | 2 | 2 | 1 | -1% |
| Other | 4 | 4 | 4 | 4 | 2 | -2% |

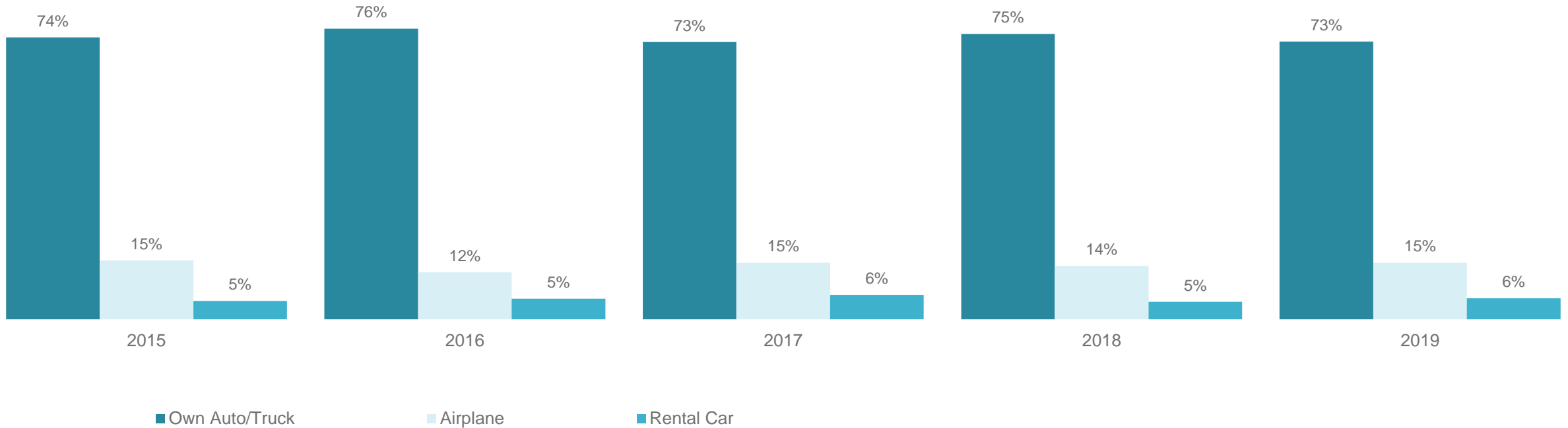
Green = gain; Red = drop
*decimals rounded

Q2a. Modes of Transportation Used on Trip (Trip Level; Demo Weight)

... while the leading choices mirror the past

Primary Mode of Travel – Top 3

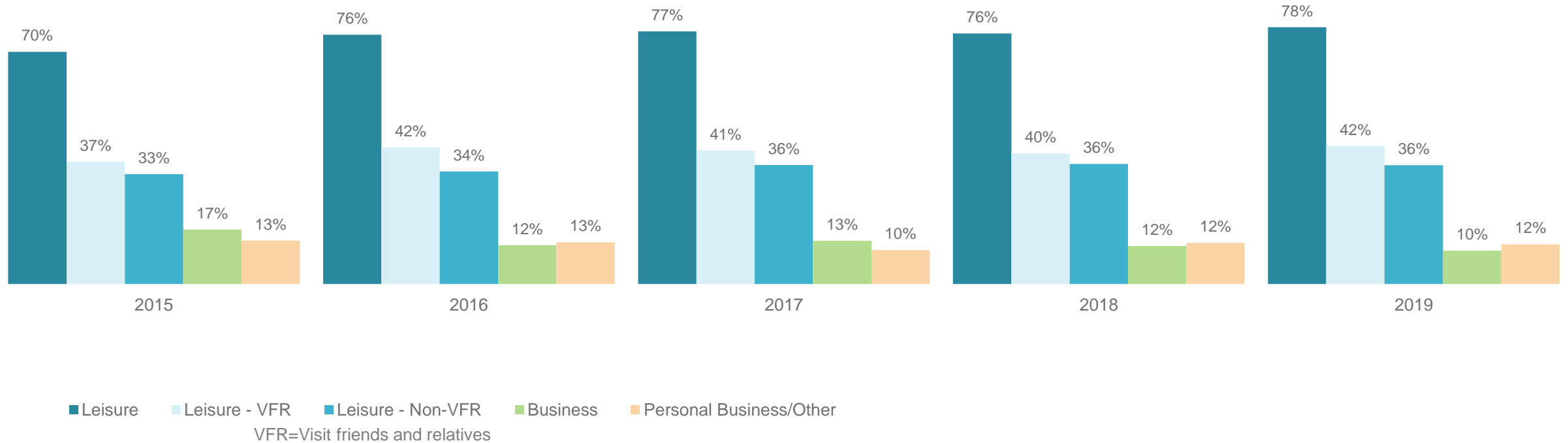
Trend Q1: 2015 - 2019



Q2b. Primary Mode of Transportation (Trip Level; Demo Weight)

Roughly three-quarters travel for leisure, with VFR holding a slight edge over other reasons

Primary Purpose of Travel
Trend Q1: 2015 - 2019



Q1b. Primary Purpose of Trip (Trip Level; Demo Weight)

Visitors tend to stay nearby

- In general, travelers stay close-to-home, taking most of their trips in the same census division where they live. However, four census divisions draw a relatively larger share of out-of-region visitors ... roughly a third to half of visitors to the East South Central, Mountain, Middle Atlantic, and South Atlantic regions live elsewhere.

Visitor Source by Census Division

Census Divisions 2019 (Diagonal Shows Residence = Destination)

| Destination | | | | | | | | | | | |
|--------------------|-------------|-----------------|----------------|--------------------|--------------------|--------------------|--------------------|----------|---------|----------------------------|--|
| % From Origin | New England | Middle Atlantic | South Atlantic | East South Central | West South Central | East North Central | West North Central | Mountain | Pacific | International Destinations | |
| New England | 70 | 5 | 3 | 1 | 1 | 1 | 1 | 1 | 1 | 7 | |
| Middle Atlantic | 15 | 63 | 12 | 4 | 3 | 5 | 2 | 4 | 4 | 16 | |
| South Atlantic | 6 | 18 | 62 | 17 | 5 | 6 | 3 | 6 | 4 | 23 | |
| East South Central | 1 | 1 | 6 | 53 | 3 | 3 | 2 | 1 | 1 | 2 | |
| West South Central | 1 | 2 | 3 | 7 | 76 | 6 | 5 | 6 | 3 | 12 | |
| East North Central | 1 | 5 | 9 | 12 | 3 | 74 | 12 | 5 | 2 | 13 | |
| West North Central | 1 | 1 | 2 | 3 | 4 | 3 | 73 | 5 | 2 | 5 | |
| Mountain | 2 | 1 | 2 | 1 | 3 | 2 | 3 | 51 | 10 | 6 | |
| Pacific | 3 | 5 | 3 | 2 | 4 | 2 | 1 | 22 | 74 | 17 | |

Note: Since some census divisions have more residents than others, the numbers will not sum to 100% horizontally. Every destination will likely draw a larger number of visitors from more populous divisions and fewer from smaller divisions.

Q38. States visited (Trip Level; Demo Weight)

Compared to a year ago, generally minor shifts appear, with New England gaining more from relatively local traffic and international destinations gaining a larger share from West South Central

Shift in Visitor Source Q1 2019 vs. Q1 2018

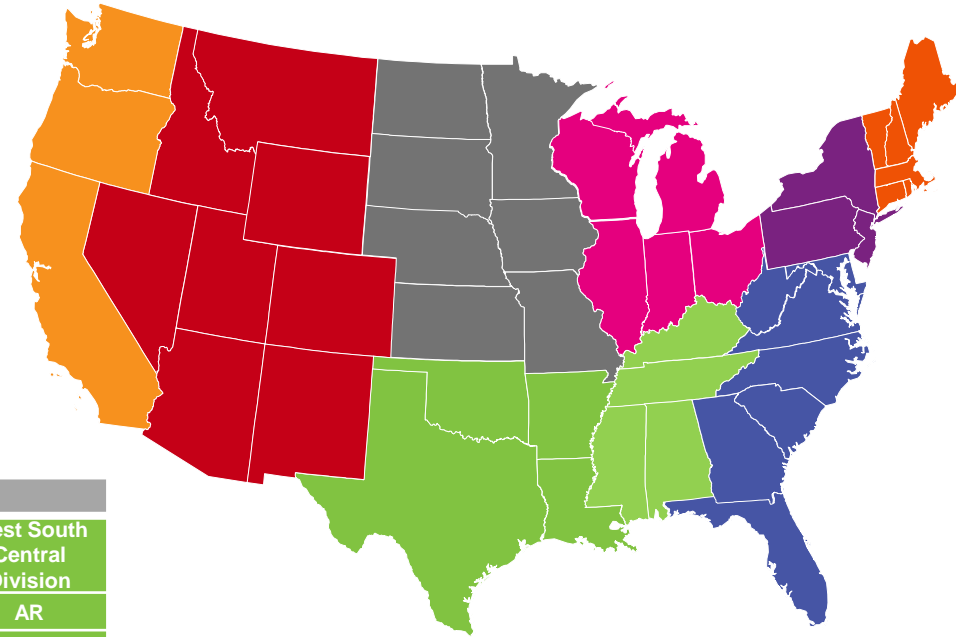
Census Divisions 2019 (Diagonal Shows Residence = Destination)
(Circles show changes of 5%+)

| Destination | | New England | Middle Atlantic | South Atlantic | East South Central | West South Central | East North Central | West North Central | Mountain | Pacific | International Destinations |
|---------------|--------------------|-------------|-----------------|----------------|--------------------|--------------------|--------------------|--------------------|----------|---------|----------------------------|
| % From Origin | New England | 5 | -2 | -1 | 1 | 0 | 0 | 1 | 0 | 0 | 2 |
| | Middle Atlantic | -5 | -1 | 0 | 1 | 1 | 2 | 0 | 2 | 1 | -4 |
| | South Atlantic | -1 | 1 | 0 | -1 | 1 | 2 | 0 | 1 | 0 | 2 |
| | East South Central | 0 | 1 | 1 | 3 | -1 | 0 | 0 | 0 | 0 | -2 |
| | West South Central | -1 | 0 | 1 | -1 | -1 | 4 | -1 | -1 | 1 | 6 |
| | East North Central | 0 | 1 | 1 | -4 | 0 | -5 | 2 | -2 | 0 | -4 |
| | West North Central | 0 | 0 | 0 | 1 | 0 | -2 | 0 | 1 | 0 | 0 |
| | Mountain | 1 | 0 | 0 | 1 | 0 | 0 | -1 | -1 | 2 | -1 |
| | Pacific | 1 | 0 | 0 | -1 | 1 | 0 | -2 | 0 | -3 | -1 |

Q38. States visited (Trip Level; Demo Weight)

Census Geography (Region/Division/State) Composition

| North Central Region | | West Region | |
|-----------------------------|-----------------------------|-------------------|------------------|
| East N. Central Division | West N. Central Division | Mountain Division | Pacific Division |
| IL | IA | AZ | CA |
| IN | KS | CO | OR |
| MI | MN | ID | WA |
| OH | MO | MT | |
| WI | NE | NV | |
| | ND | NM | |
| | SD | UT | |
| | | WY | |



| Northeast Region | | South Region | | |
|----------------------|-----------------------|-------------------------|-----------------------------|-----------------------------|
| New England Division | Mid Atlantic Division | South Atlantic Division | East South Central Division | West South Central Division |
| CT | NJ | DL | AL | AR |
| ME | NY | DC | KY | LA |
| MA | PA | FL | MS | OK |
| NH | | GA | TN | TX |
| RI | | MD | | |
| VT | | NC | | |
| | | SC | | |
| | | VA | | |
| | | WV | | |



Mahalo from the OmniTrak Group!



Chris Kam, President
chriskam@omnitrakgroup.com
808.528.7594

John Packer, Senior VP, Travel & Leisure
johnpacker@omnitrakgroup.com
513.828.3177