Indiana | 2006 VISITOR PROFILE
Public Version

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How to Read this Report

The report you are about to read is a comprehensive analysis of the travel market in Indiana. After reviewing this report, it is DKSA's intention for travel marketers and planners to be better armed 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 – *Market Assessment, Targeting, Positioning,* and *Communicating* - which are further targeted to various roles within the tourism organization.

MARKET ASSESSMENT – *How many visitors does Indiana attract?*

This section of this report will give the reader not only an understanding of the size and scope of the tourism market in the State of Indiana, but also helps destinations understand past market movements and prepare for possible changes in the future. This information enables the client to compare its ability in capturing market share to the destination's Competitive Set.

The section ends with a review of traveler satisfaction and value ratings of Indiana. 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.

TARGETING – *Who are Indiana's most important visitors?*

This section provides a demographic analysis of travelers to help travel marketers and planners to better focus their communication activities by identifying the largest market segment. The following slide represents three ways to analyze traveler demographic profiles and their recommended uses for marketing:

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VARIABLES	CHARACTERISTICS	RECOMMENDED USE
Demographics	Segmented by age, income and household	*A fundamental description of travelers that can be used for all marketing and communication vehicles*

Lifestages	Age of the Household Head	Household Income	Children under Age 18 in Household	*A discriminating segmentation of target audience for media targeting, CRM among others*
Young & Free	18-34 years	any	no	
Young Family	18-34 years	any	yes	
Maturing & Free	35-54 years	any	no	
Moderate Family	35-54 years	Under $75K	yes	
Affluent Family	35-54 years	$75K or higher	yes	
Moderate Mature	55 years or older	Under $60K	no	
Affluent Mature	55 years or older	$60K or higher	no	

Lifestage analysis combines three variables - age, household income, and presence of children in the household - into one variable containing seven mutually-exclusive segments defined above. Because of the age component, the lifestage segments are "moving targets" from year to year.

Generations	Traveler's Year of Birth	*A focused messaging approach that uses different mediums (radio, TV, and Internet) to target a specific audience*
Millennial	After 1981	
Gen X	1965-1980	
Boomers	1946-1964	
Silent	1930-1945	
GI	1929 and earlier	

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POSITIONING – *How should Indiana position its product?*

This section will help a destination compare its tourism product attributes against the competition. These attributes include a traveler's purpose of visit, Travel Party 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.

COMMUNICATING – *Where should Indiana advertise and promote?*

The Communicating section assists travel marketers and planners in focusing on key markets that generate the largest share of visitors. This section will direct a destination to launch marketing communications programs to markets where they are most likely to convert "lookers to bookers."

Several origin market geographies are analyzed to provide a comprehensive overview of where their visitors reside. The following describes these geographies:

- 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.
- DMAs or Designated Marketing Areas - defined by Nielsen Media Research, Inc, denote a geographical area consisting of a primary city and surrounding county or counties. There are 210 DMAs in the U.S. Each DMA represents a unified geographic media market. Every U.S. county is in one and only one DMA.

The Communicating section also provides an analysis of the destination's competition and its respective share of key origin markets. This analysis helps to assist a destination know where their visitors travel and thus arming destination marketers with a strategy to lure visitors away from the competition.

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Each of the four main sections – *Market Assessment, Targeting, Positioning,* and *Communicating* – is further divided into two sub-sections:

- **Section Summary Findings**: The section summary findings reviews the key conclusions from the data presented in the detailed graphs.
- **Detailed Data Graphs**: The detailed data graphs present the data in two primary ways.
  - The destination's visitor performance compared to the U.S. and the Competitive Set
  - The destination's segments' average party per trip spending performance
  - A comparison of the segments' share of all Travel Party members at the destination to their spending contribution in the market.

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Study Specifications

- Methodology – All of the information contained in this report is derived from DKSA ***DIRECTIONS***® tracking system.
- Objective – Describe the domestic Overnight Leisure (ONL) travel market in Indiana compared to the U.S. and competition.
- Travel definition – An overnight trip or any day-trip greater than 50 miles one-way from home
- Sampling Frame – All U.S. domestic Overnight Leisure travelers on combined mail and online panel during 2006 in the Indiana and Competitive Set
- Timeframe – 2006

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Executive Summary

Background

This Indiana visitor study provides travel intelligence on U.S. and Indiana travel trends for the 2006 reporting year. Information is also provided for Indiana's Competitive Set. Volume and profile data are from D. K. Shifflet & Associate's ***PERFORMANCE/Monitor***SM *Travel Intelligence System*SM — the largest travel-tracking system in the U.S. The 2006 Indiana Overnight Leisure visitor profile is based on a sample of 1081 Stays. Appendix A contains details on study methodology and definitions of terms such as Person-Stays and Person-Days.

Market Assessment

U.S. Volume Trends: The U.S. Travel Industry reached record levels in 2006 for Stays, Person-Stays, Person-Days and Direct Spending. Stays or Travel Parties, registered at 1.39 billion, as it continues its growth trend initiated in 2003. In terms of Person-Stays or total visitors, the U.S. hosted nearly 3.05 billion travelers in 2006, due to growth in Average Party Size which increased to 2.19 persons. Out of the total visitor volume, nearly three-quarters or 2.25 billion, traveled for Leisure. Person-Days, or the number of days contributed by visitors to a market, gained 0.2% to 6.61 billion. In general, overall growth in U.S. Travel was driven by the Business segment, while Leisure remained moderately flat for most volume metrics. Total Direct Spending grew the most, increasing 3.9% to $727.6 billion. The Business segment gained 5.1% to reach $214.3 billion in 2006. Leisure Spending also posted a substantial gain, reaching $513.2 billion and accounting for nearly three-quarters of the U.S. Total Direct Spending.

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Executive Summary *(cont.)*

Indiana Volume Trends

Indiana shows a solid increase in overall travel this year and posts exceptional gains in the Business travel segment.

- Travel Parties choosing to visit Indiana is up, also driven by gains in the Business segment and supported by an increase in Overnight Leisure Stays.
- The average Leisure Travel Party size increases again this year over 2004 levels.
- Average Length of Stay is up; Leisure party stay length carries a substantial increase in the Length of Stay over 2004 levels.
- Traveler Spending reached 9.86 Billion Dollars in this reporting year, a 20% increase from the previous reported level.
- While Leisure commands Indiana's travel market, mixed 75% to 25% Leisure versus Business, The Hoosier State picks up nearly three million additional Business travelers this year over 2004 levels.
- Leisure Travel Parties is actually down by 100,000 parties while the total number of Business Travel Parties is up this year.
- While Day Trips still represent the majority of Hoosier travel in 2006, changes in the Day/Night travel mix show that more visitors stay overnight this year than they did in 2004.

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Executive Summary *(cont.)*

Indiana Market Share

Indiana increases its share of all U.S. visitation from the 2004 level. In this reporting year, the State can claim a 2.02% share of the total U.S. Overnight Leisure market, a new record high. While The Hoosier State is still lagging a bit behind most of its Competitive Set states in total visitors, the State gains market share for this reporting period while most of the Competitive Set is stagnant or losing visitation in 2006. All tolled, Indiana increases its market share of ONL domestic travel volume in each key measure.

As compared to the last reporting year:

- Stays is up to 2% of the U.S. market, from 1.8% in '04.
- For every $100 spent on Overnight Leisure travel in the U.S. in 2006, $1.29 of it was spent in Indiana, which is up from a 1.2 % share of Direct Spending in 2004.
- The Person-Days volume measure shows the highest increase from '04; Indiana visitors are spending more time in the State this year, up from 1.45 days to 1.71 days.

Targeting

Indiana's visitors track closely with the characteristics of the typical U.S. Overnight Leisure traveler in most respects, but there are several notable demographic departures from the National average. First, Indiana attracts younger ONL visitors than the average U.S. destination. Both the U.S. and the Competitive Set states are losing share of the 18-34 travel market, but Indiana gains more visitors in this age group. Secondly, visitors to The Hoosier State tend to have children at home and the Overnight Leisure parties going to Indiana this year tend to bring their children along for the trip. Finally, Indiana is showing a decline in more affluent travelers in 2006. Most U.S. destinations have an increase in visitors with household incomes greater than $100,000 in this reporting year, but Indiana has fewer visitors this year from these higher income households compared to the previous report.

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Executive Summary *(cont.)*

Positioning

As has been the case in previous years, most Indiana visitors in this reporting year come to **Visit Friends And Relatives**. This happens more frequently than the typical U.S. leisure destination, but Indiana is closely in line with its competitor states in this regard. **Getaway Weekends** account for the next most popular reason for a Leisure visit to the State, followed by **Special Events**. Indiana is a popular drive-to state, and few visitors choose to fly. Most, but less than half, of the State's visitors stay in hotels.

While Indiana continues to have the shortest Length of Stay, visitors are staying longer this year than in the past (which occurs while the U.S. and most of the Competitive Set post a shorter length of Leisure stay this year). Indiana is a short-stay destination and needs to entice visitors to stay longer because the share of Trip-Dollars exceeds share of Stays for visitors staying three nights or longer. Most visitors stay in Indiana for **one night**, and Leisure visits lasting **three nights or longer** are down for the State this year. In terms of party composition, Indiana is a big draw for **families**, and also for **solo** Leisure travelers. While **couples** still comprise the second largest group after families, it is notable that Indiana has fewer couples this year than in the previous report, and the lowest level of couple Travel Parties amongst the competitive set.

The Average Daily Spending in Indiana for Overnight Leisure is $82, far less than the typical U.S. Leisure destination, but only slightly less than spending in most of the competitor states. As is typical for many destinations, visitors allocate most of their trip spending on transportation, followed by food.

Indiana is a popular destination both for **watching sports** and for outdoor recreation like **hiking**, **bicycling**, participating in **"adventure" sports**, **camping**, and going to **State or National parks**.)

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Executive Summary *(cont.)*

Communicating

Almost three-fourths of Indiana's Overnight Leisure visitors come from the East North Central Census Region, which includes Indiana itself. Most of the visitation is generated from Indiana residents, followed by Illinois and Ohio (both tied, contributing 12.9% of Indiana's 2006 Overnight Leisure Visitors). The South Atlantic Census Region provides the second-most number of travelers to Indiana, followed by the East South Central Region. Indianapolis is Indiana's top five visitor origin DMA, closely followed by Chicago, then Fort Wayne, South Bend, and Cincinnati.

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Key Conclusions and Recommendations

Focus on key customers

- Key segments identified below summarize the major characteristics of the Indiana ONL travel market and these customers deserve special attention.
  - **Young travelers**: almost four out of ten Travel Parties to The Hoosier State are 18-34.
  - Travelers **with young children in the home**: one in three Indiana visitors include children age five or younger in their households, and two visitors in five have kids 6-12 at home.
  - **Families**: more than one-third of the parties bring children with them when they visit Indiana on ONL.
  - **<$50K Households**: more than one in three ONL visitors come from households earning less than $50,000 per year.
  - **High Income travelers**: about one in six of Indiana's ONL visitors have a household income of $100,000 or more.
  - **Generation X**: nearly half of Indiana's ONL visits come from people born between 1965 and 1980.
  - Baby **Boomers** are more than one in three ONL visitors to Indiana and generate the highest share of Trip-Dollars in relation to Travel Parties.
  - **VFRs**: two in five ONL visitors go to Indiana to **Visit Friends and Relatives**.
  - **Weekenders**: almost one in five visitors travel to Indiana for **Getaway Weekends**.
  - **Couples**: second largest Travel Party composition, making up over one-fourth of Indiana Travel Parties.
  - **Solo** Travelers: **adults traveling alone** are one-fourth of Indiana's ONL.
  - Visitors from **Neighboring States**: fully three-fourths of Indiana's ONL comes from Indiana or an adjacent state from the East North Central Census Region.
  - **Hoosiers**: one in three people in Indiana for ONL are residents.

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Key Conclusions and Recommendations *(cont.)*

Focus on the opportunity

While trying to understand the Overnight Leisure travel market in terms of who is visiting the State and the visitors' profile, it is also important to identify and focus on the opportunities that lie ahead for Leisure Travel to the State of Indiana. The segments listed below have great potential to offer either additional travel volume or an increase in spending.

- ↑ Young Visitors:

  Younger Lifestages make up so much more of Indiana's ONL market than the competition states or the U.S. average, but spend less. Indiana has a good deal of young travelers with their young children. Millenials are a growing share of the overall market and GenXers hold the lion's share of ONL visitation. Younger travelers, however, represent a smaller share of Trip-Dollar spending and lower average per party per trip spending. Indiana is a popular destination for outdoor activities, adventure sports, summer travel, and watching sporting events. Utilize the appeal of these activities to entice more spending from this dominant and growing segment of ONL visitor.

- ↑ Families

  Indiana draws a substantial amount of visitors with children. The majority of the visitors have children at home and many people bring their kids when they visit on ONL. Affluent Families and Moderate Families have a higher average per party per trip spending and the ONL parties that include children account for the largest portion of Trip-Dollar spending in Indiana. Indiana's ONL offering should be tailored to meet the needs of these surprisingly high spenders.

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Key Conclusions and Recommendations *(cont.)*

Focus on the opportunity, Continued

↑ Short-stayers

Indiana is a short-stay destination and this segment represents an opportunity to cultivate additional travel days. Indiana has the shortest Length of Stay from among its Competitive Set and Indiana needs to entice visitors to stay longer because the share of Trip-Dollars exceeds share of Stays for visitors staying just two nights, so there is real value in encouraging an additional night's stay from the one-night visitors.

↓ Couples

Couples are **down** for Indiana ONL this year, but couples still comprise the second-most share of visiting parties. Focus on stemming their loss because Couples contribute fully one-third of the Trip-Dollars to Indiana's tourism-based economy.

⇔ Group Travel:

This segment is **unchanged** and has been relatively static for Indiana and Indiana's competitive Set for several years but represents a large upside because Indiana's offering lends itself to opening a larger market for group travel excursion. Most visitors drive, and no nearby competitor state can provide Indiana's opportunities for Special Events or Watching Sports. The State should market girlfriend getaways and guys getaways to bring in more Three –plus adult parties, who spend the most per stay and have a 2:1 Spending to Stays ratio.

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Indiana Detailed Findings

Courtesy of the Indiana Office of Tourism and Development

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Indiana's Volume Overview

- Indiana's overall Stays volume increases by 4.5% over 2004 levels. The increase in Travel Parties are carried by Overnight Leisure Stays and Day and Night Business travel.
  - Travel Parties staying Overnight for either Business or Leisure purposes increases 7% in 2006, reaching 12.3 million this year.
  - Day Trips increases 2% to 16 million Travel Parties, virtually all of which are due to Business Day Trips.
  - Total Leisure Stays are down 1% in 2006, owing to fewer Day Trip Leisure Travel parties in this reporting year.
  - Overall Business Stays increased 15.7% to 10.4 million in 2006.
  - Overnight Leisure Stays increases 6.1% in 2006 to 8.9 million, its highest level since 2000.
- Indiana draws a record high of 62.8 million visitors in 2006.
  - People are visiting The Hoosier State for Business. Visitation for this segment is up by 2.9 million more Business visitors than Indiana realized in 2004.
  - ONL visitation is up substantially. Indiana gains another 2.9 million more ONL travelers this year compared to 2004. This is an important segment in which to mark an increase because Leisure travelers account for fully 80% of all of Indiana's Overnight visitation.
- Direct Spending increases in Indiana for the Business and Leisure segments.
  - Excluding Transportation expenditures, total Direct Spending is up by $979 million dollars from the previous reporting period.
  - Overnight Leisure, which is the focus of this report and the most important travel segment for any state's tourism revenue, shows a sizeable 20% increase this year*.
  - Day Trips account for a $1.8 billion contribution in spending at Indiana destinations in 2006.

*excluding transportation expenditures

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Indiana Volume Summary
(Million)

Stays	2000	2001	2004	2006	06/04 % Change
Total	28.1	28.2	27.1	28.3	4.5%
Business	12.5	10.6	9.0	10.4	15.7%
Leisure	15.6	17.6	18.1	18.0	-1.0%
Day	16.4	16.0	15.6	16.0	2.2%
Overnight Business	4.7	4.2	3.1	3.4	12.4%
Overnight Leisure	7.1	8.0	8.4	8.9	6.1%

Person-Stays	2000	2001	2004	2006	06/04 % Change
Total	56.9	57.7	58.7	62.8	7.1%
Business	18.3	15.0	13.2	16.1	22.3%
Leisure	38.6	42.6	45.5	46.7	2.6%
Day	32.5	33.5	33.4	34.1	2.1%
Overnight Business	6.7	5.9	5.3	5.7	9.2%
Overnight Leisure	17.7	18.3	20.0	22.9	14.7%

Person-Days	2000	2001	2004	2006	06/04 % Change
Total	107.0	105.2	101.8	117.9	15.8%
Business	33.7	26.8	22.3	27.4	23.0%
Leisure	73.4	78.4	79.5	90.4	13.8%
Day	24.4	25.1	25.1	25.9	3.2%
Overnight Business	25.0	20.0	16.4	20.0	22.4%
Overnight Leisure	57.7	60.1	60.3	72.0	19.3%

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Indiana Volume Summary (cont.)
($, Million)

Spending (With Transportation)	2000	2001	2004	2006	06/04 % Change
Total	$8,614.9	$8,466.1	$8,232.2	$9,863.6	19.8%
Business	$3,173.8	$2,842.5	$2,283.5	$2,896.7	26.9%
Leisure	$5,441.2	$5,623.6	$5,948.7	$6,966.9	17.1%
Day	$1,573.4	$1,888.7	$1,978.2	$2,303.5	16.4%
Overnight Business	$2,685.8	$2,345.4	$1,881.7	$2,255.2	19.8%
Overnight Leisure	$4,355.7	$4,232.0	$4,372.3	$5,304.9	21.3%

Spending (Without Transportation)	2000	2001	2004	2006	06/04 % Change
Total	$6,054.6	$6,167.6	$6,140.2	$7,118.8	15.9%
Business	$2,005.6	$1,910.2	$1,597.6	$1,898.6	18.8%
Leisure	$4,049.0	$4,257.4	$4,542.6	$5,220.2	14.9%
Day	$1,189.3	$1,465.9	$1,560.8	$1,709.5	9.5%
Overnight Business	$1,681.0	$1,547.1	$1,309.7	$1,482.5	13.2%
Overnight Leisure	$3,184.4	$3,154.6	$3,269.7	$3,926.7	20.1%

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Indiana Volume Changes Explained

		2004	2006	% Change
Stays (Travel Parties) (million)	*Total*	27.1	28.3	4.5%
	Business	9.0	10.4	15.7%
	Leisure	18.1	18.0	-1.0%
Average Party Size (persons)	*Total*	2.17	2.22	2.4%
	Business	1.47	1.55	5.7%
	Leisure	2.51	2.60	3.7%
Person-Stays (Visitors) (million)	*Total*	58.7	62.8	7.1%
	Business	13.2	16.1	22.3%
	Leisure	45.5	46.7	2.6%
Average Stay Length (Travel Parties/0+)	*Total*	1.73	1.88	8.2%
	Business	1.69	1.70	0.6%
	Leisure	1.75	1.94	10.9%
Person-Days (Visitor-Days) (million)	*Total*	101.8	117.9	15.8%
	Business	22.3	27.4	23.0%
	Leisure	79.5	90.4	13.8%
Day/ Overnight Mix (% Day Trips)	*Total*	57.8%	56.5%	-2.3%
Average Party Spending ($)	*Total*	$303.9	$348.3	14.6%
	Business	$254.9	$279.5	9.7%
	Leisure	$328.1	$388.1	18.3%
Total Direct Spending ($ billion)	*Total*	$8,232.2	$9,863.6	19.8%
	Business	$2,283.5	$2,896.7	26.9%
	Leisure	$5,948.7	$6,966.9	17.1%
Spending per Person/ Day ($)	*Total*	$80.9	$83.7	3.4%
	Business	$102.4	$105.6	3.1%
	Leisure	$74.9	$77.0	2.9%

- More than 28 million Travel Parties visit Indiana in 2006. Total Leisure travel is flat, but Business parties are up for the year and Overnight Leisure is up as well.
- The average Party Size for Indiana visitors grows in this reporting year .
- As a result of the increase in the average Party Size, Indiana posts large gains in total Person-Stays in 2006, receiving nearly 63 million visitors.
- Indiana experiences large increase in the total number of Person-Days, with about 5 million more people spending Business days in Indiana and nearly 11 million more visitors spending Leisure days in Indiana in 2006.
- The Day to Overnight Mix is down compared to the previous reporting year as more Indiana visitors elect to stay overnight.
- Business and Leisure Total Direct Spending increases markedly in 2006, driving Total Direct Spending on all Indiana travel to nearly $9.9 billion in this reporting year.
- Although up for the year, daily spending is still substantially lower in Indiana compared to the typical U.S. destination. The average U.S. Business traveler spends $137per day and the average U.S. Leisure traveler spends $102 per day.

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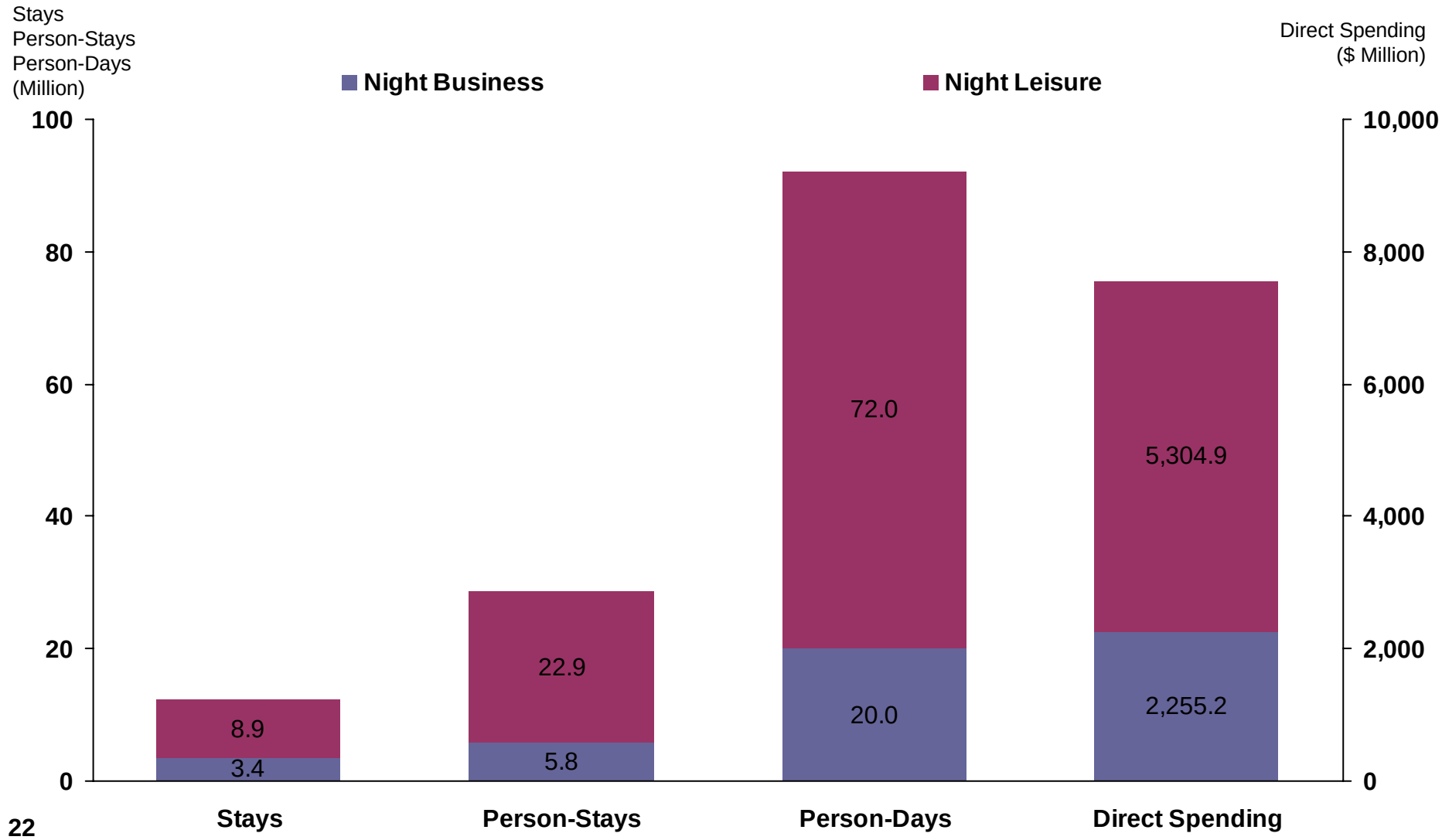
Indiana 2006 Volume



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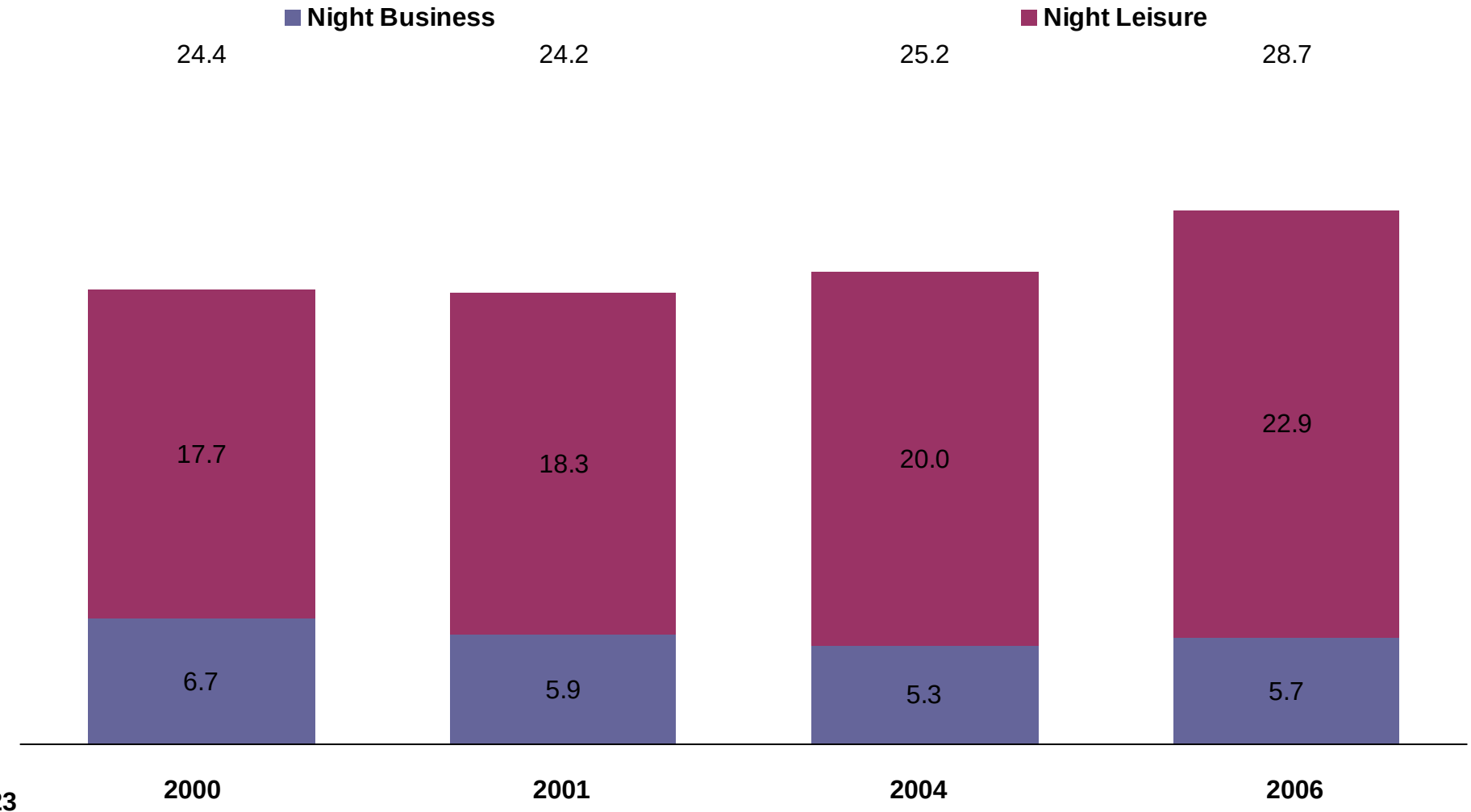
Indiana Person-Stays Volume
(Million)



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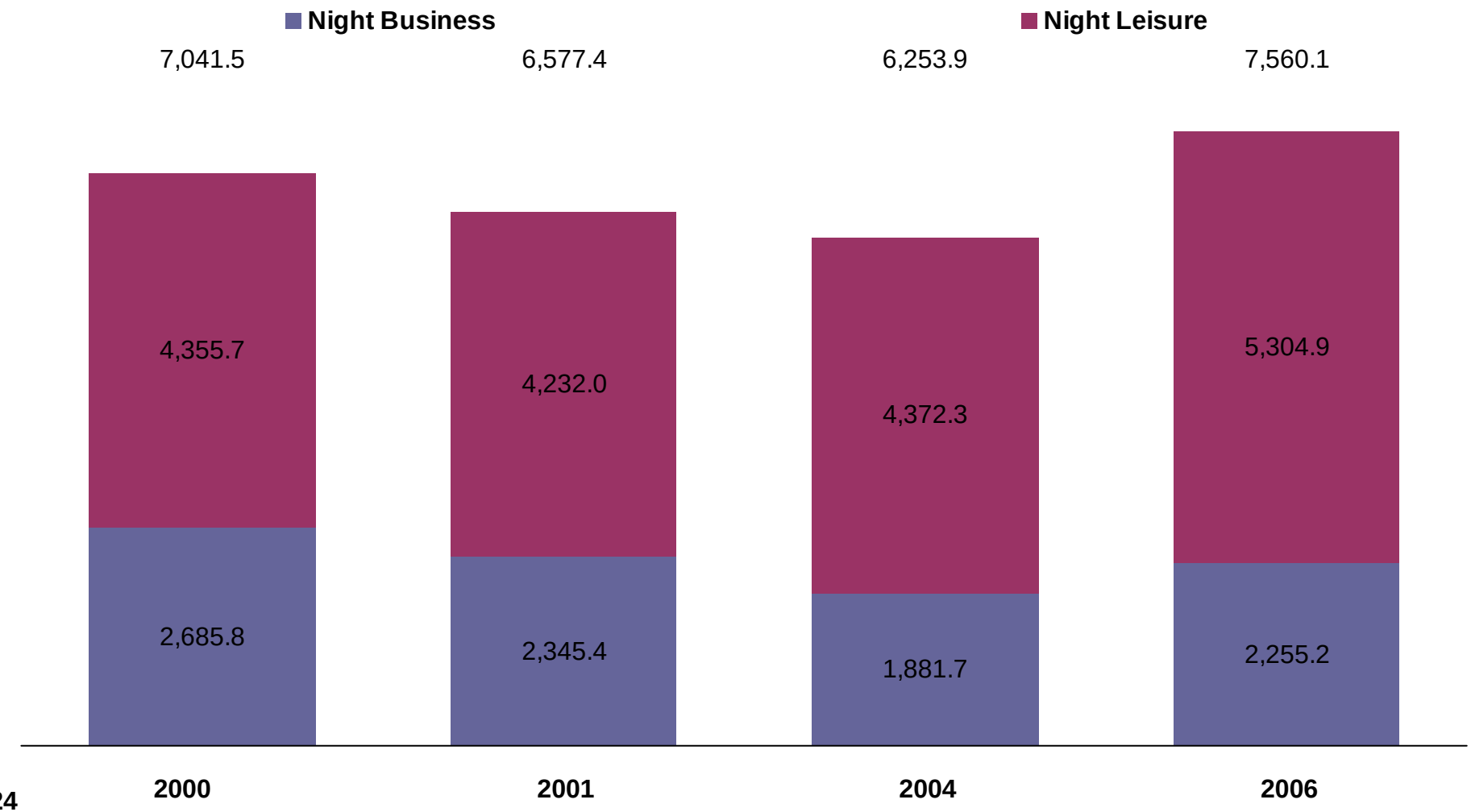
Indiana Direct Spending Volume
($ Million)



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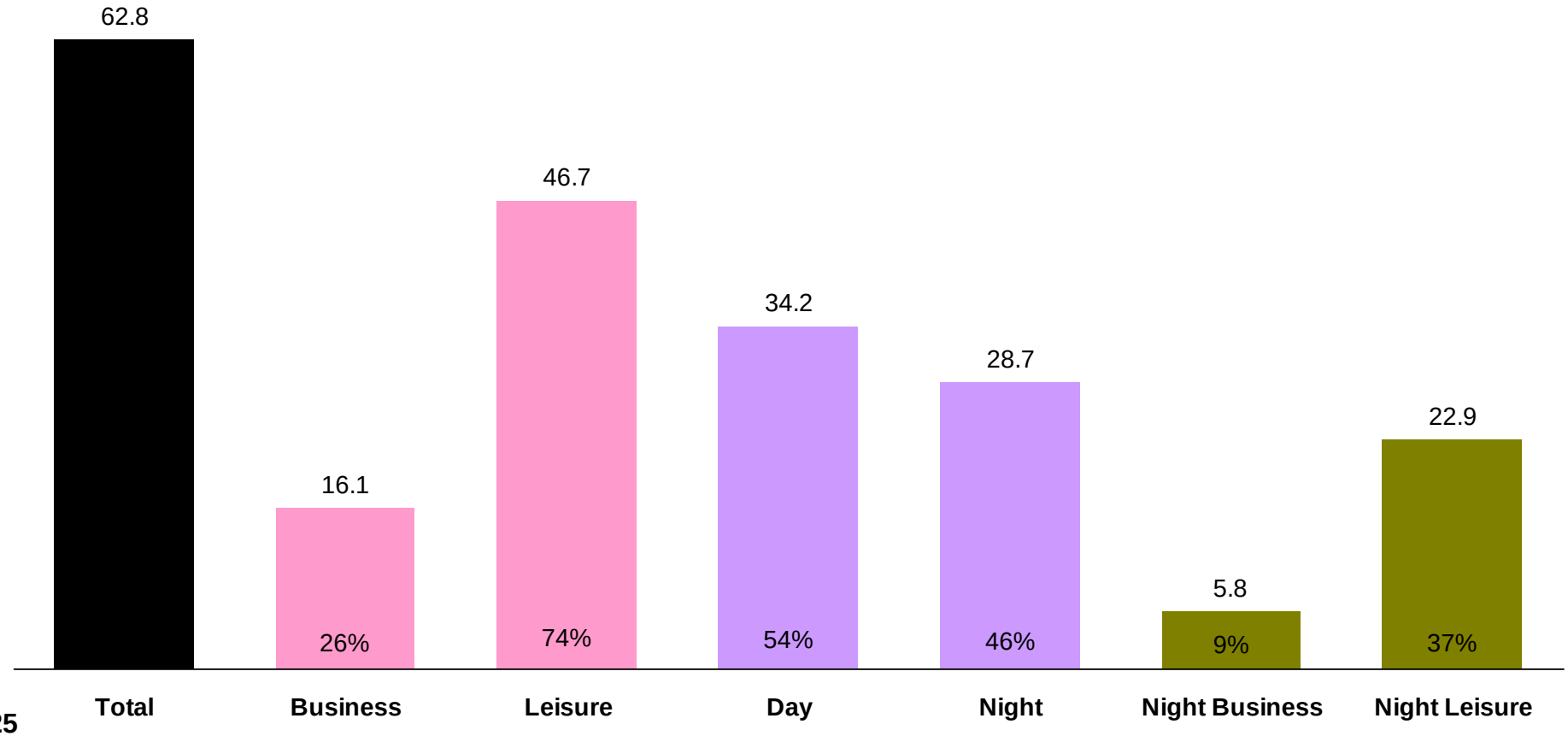
Indiana Person-Stays Volume Summary

(Million in 2006)



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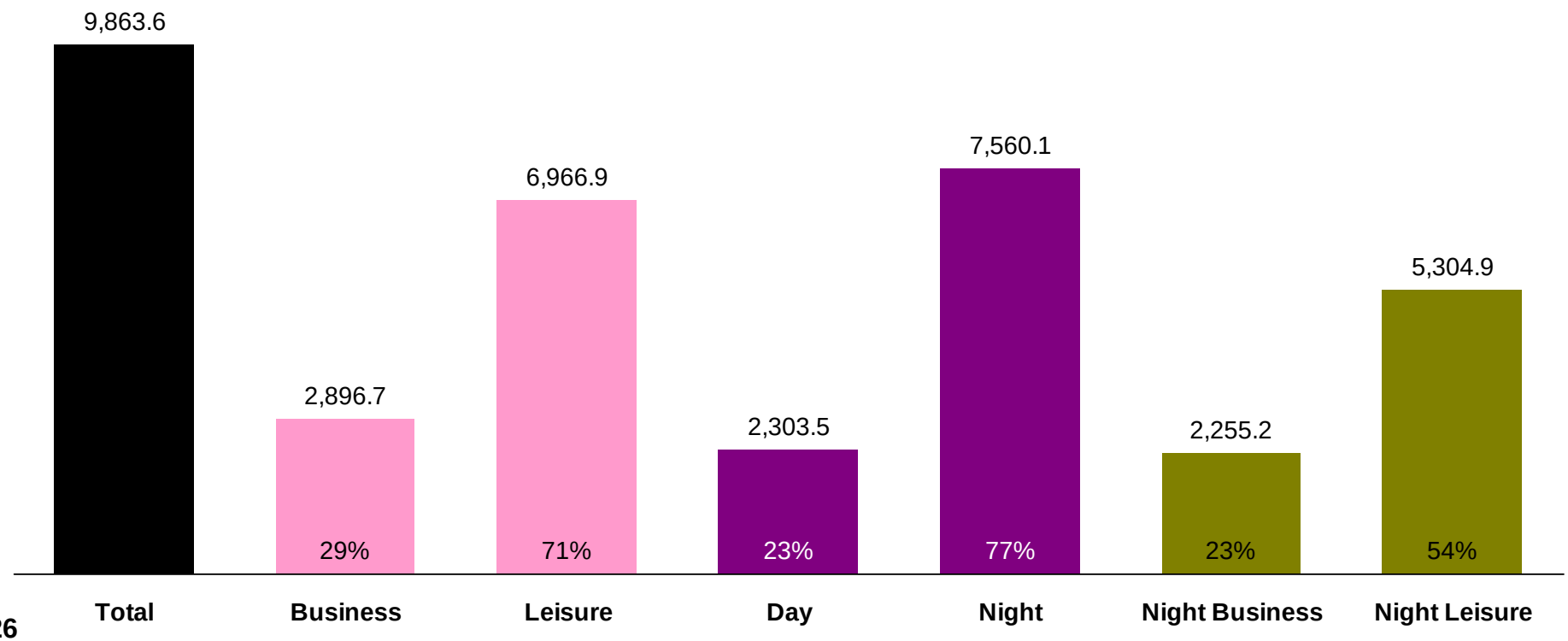
Indiana Direct Spending Volume Summary

($Million in 2006)



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Indiana Market Share Overview

During 2006, Indiana's share of U.S. Overnight Leisure (ONL) travel ranges from a low of 1.29% of ONL Direct Spending to a high of 2.02% of Person-Stays. To this end, the State of Indiana increases its share of all U.S. visitation by 13% over 2004 Person-Stays, moving from a 1.78% share to reach this reporting year's 2.02% share of all domestic travel in the country. Indiana's share of domestic ONL visitors in 2006 represents its highest level in any previous reporting period (2004, 2001, 2000, 1999)

- At 2.02% of U.S. Person-Stays, Indiana has the second lowest visitation from among its competitor states. Although behind most competitors, Indiana makes gains in the number of visitors when the Competitive Set average drops 1% of its visitors in the same time frame.

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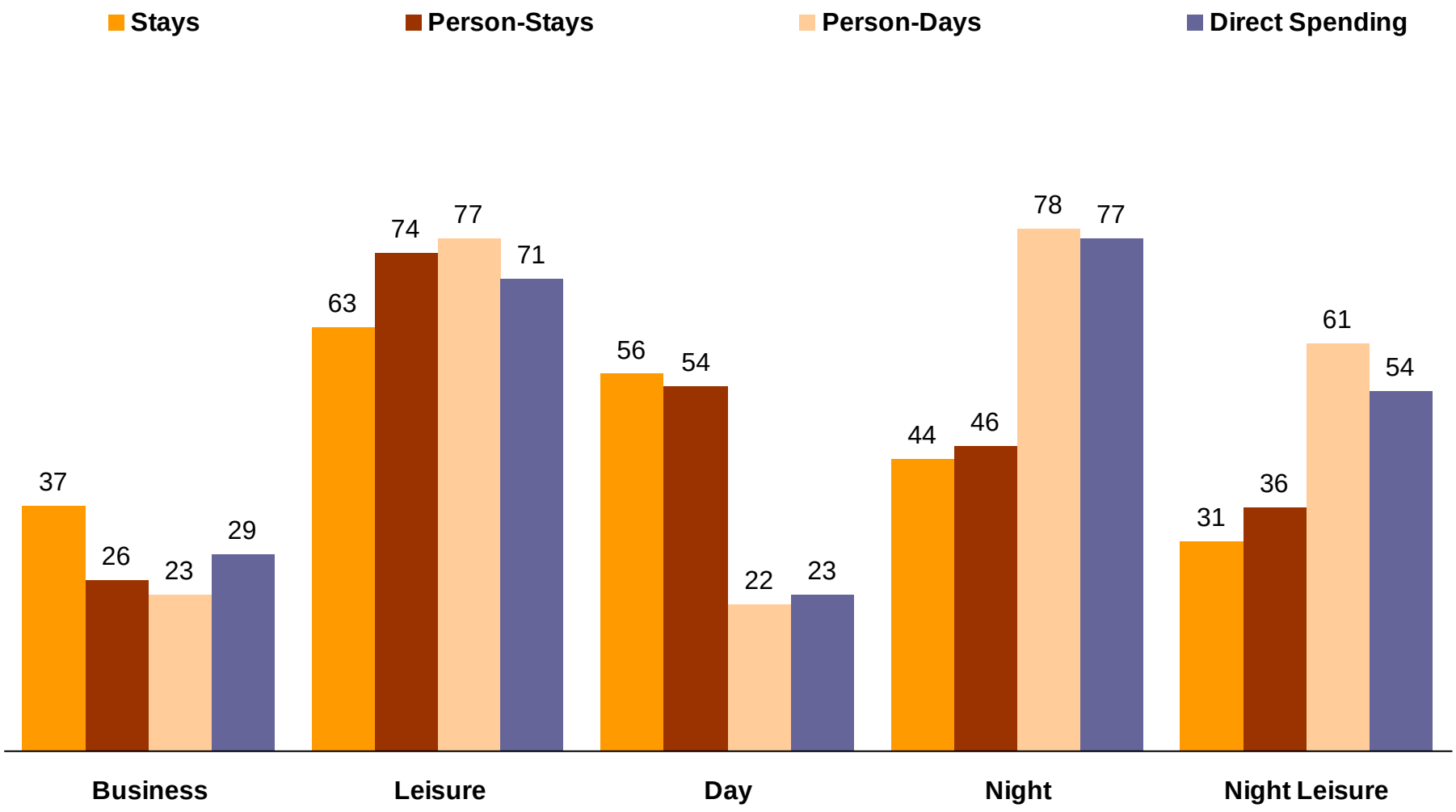
Indiana Travel Segments
(% of Total Volume in 2006)



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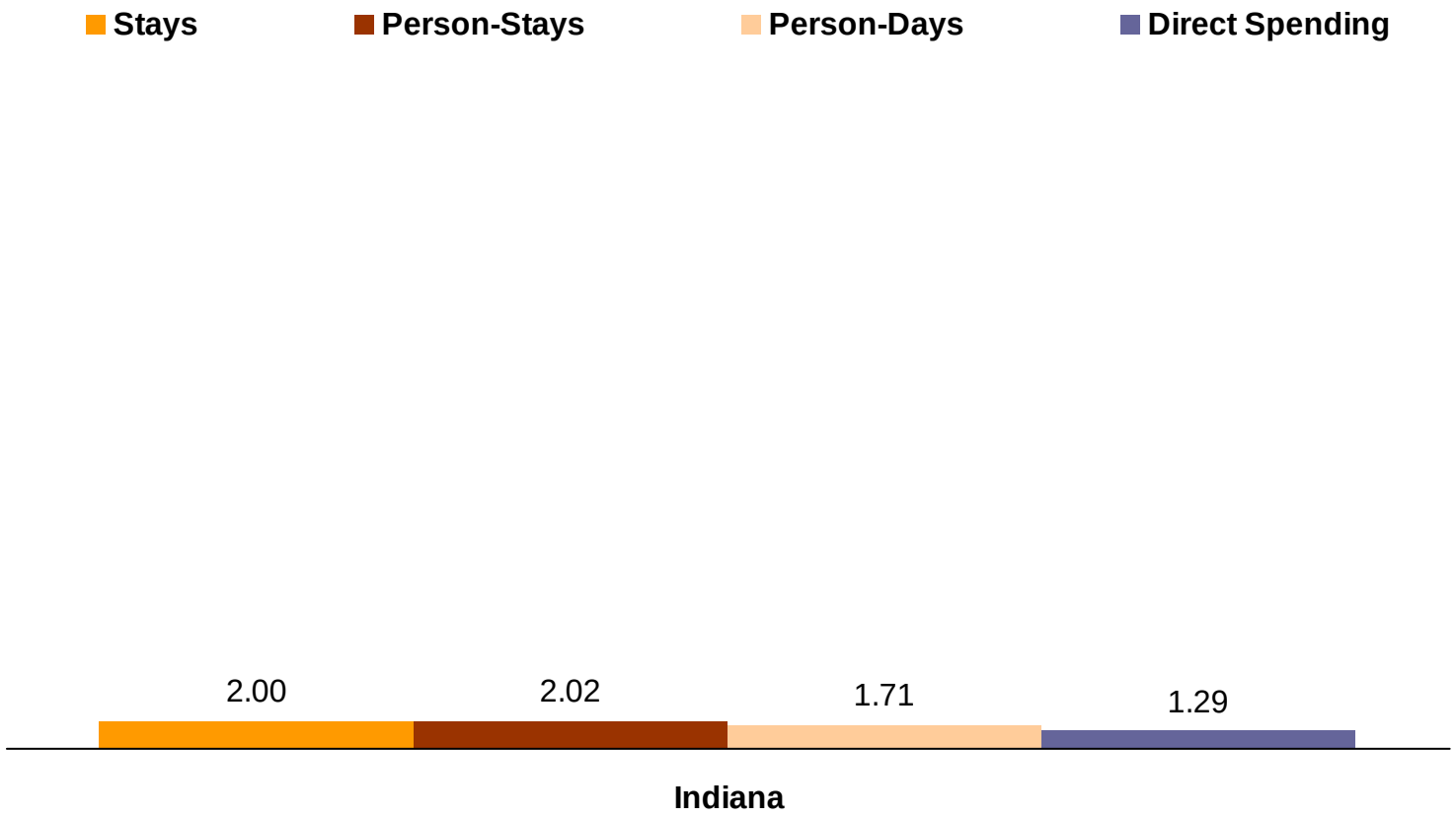
Indiana's Share of U.S. Travel:
(% of Overnight Leisure in 2006)



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Destination Satisfaction/Value Intelligence

- In DKSA's *PERFORMANCE/Monitor*SM , respondents are asked to rate their stays on the destination overall satisfaction and overall value-for-the-money on a 10-point scale, where 1 is lowest or "poor" and 10 is highest or "excellent."
- The following chart shows the destination and each of its travel segments' satisfaction and value ratings. The chart plots the percentage of top three (net) ratings which are considered "high" ratings.
- The matrix shows the location of each destination in relation to the four combinations of low or high satisfaction, and low or high value. The four combinations create quadrants using the nationwide averages for high satisfaction and high value ratings.

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 most likely to provide invaluable word-of-mouth by recommending the destination to others.

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Destination Satisfaction/Value Intelligence

- 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 (net) ratings on ten-point satisfaction and value scales.
- The chart is separated into four quadrants representing the four combinations of satisfaction and value scores--high satisfaction-high value, high satisfaction-low value, low satisfaction-high value, and low satisfaction-low value.
- In this reporting year, Indiana loses one percentage point in excellent satisfaction but gains 3 percentage points in value.
- Indiana's Overnight Leisure visitors report similar satisfaction levels with 2004 ratings. The Competitive Set gains in the satisfaction score in this same time frame.
- Across the board, ONL travelers find more value in their chosen destinations. At the U.S. level, this measure is up 3 percentage points over 2004 ratings. Indiana improves excellent value ratings by 5 percentage points, with 59 percent of its ONL travelers rating Indiana an excellent value.
- Taken in the aggregate, the Competitive Set and Indiana garner the same value rating and post the same gains as compared to 2004 ratings.

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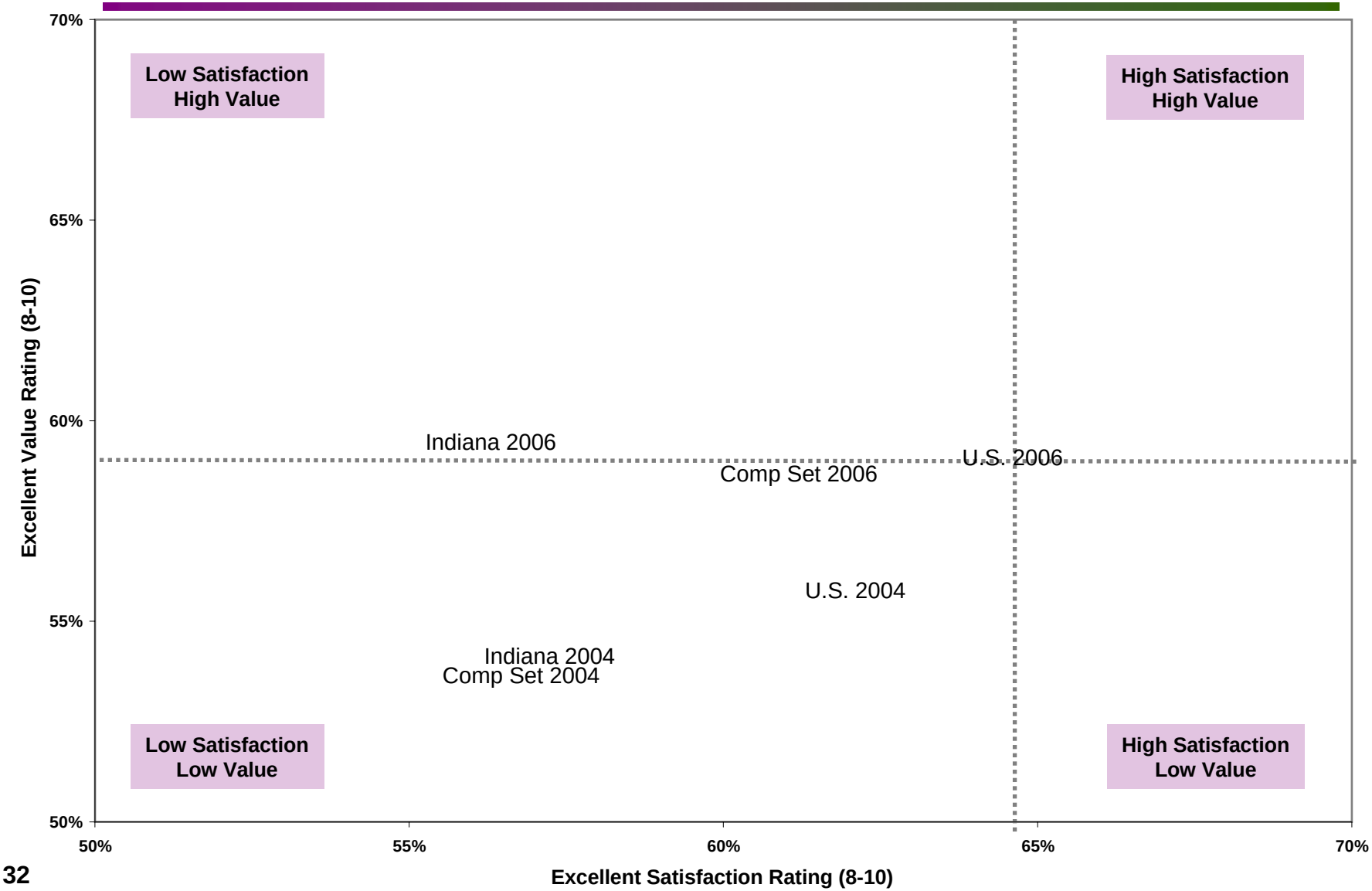
Excellent Destination Satisfaction vs. Value Ratings: U.S. , Indiana and Comp Set

(% of Overnight Leisure Person-Stays in 2004 vs. 2006)



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Targeting Intelligence Overview

Indiana's visitor characteristics and household demographics are analogous to the typical U.S. and Competitive Set in many respects.

Demographic Comparisons

- Indiana attracts younger visitors
  - While the average U.S. destination and the Competitive Set are all losing share of 18-34 year-old ONL travelers. Indiana is increasing its share in this category.
  - In all, 37% of Indiana's ONL for this reporting year is among young (18-34) travelers.
  - The U.S. on the whole has dropped share in this segment, and the Competitive Set in particular has changed its share of young travelers as compared to 2004 levels, dropping from 42% share to a 34% share in this reporting year.
  - Given Indiana's younger demography amongst ONL visitors, the State draws fewer retirees for Leisure visits. Occupations of Indiana visitors are similar to U.S. and Competitive Set averages.

- Indiana Attracts visitors with children
  - More Indiana visitors have children in the household -- far more than the typical U.S. destination and every state in the Competitive Set.
  - Indiana visitors have young children. The Hoosier State attracts substantially more visitors with kids 5 or younger at home than the US average or any competitor state, and more visitors with children 6-12 living at home than the typical U.S. destination or the Competitive Set states.
  - The average U.S. destination dropped 5 percentage points in this measure, compared to 2004 levels and every single state in the Competitive Set is showing fewer visitors with any children in the home.

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Targeting Intelligence Overview *(cont.)*

Demographic Comparisons, Continued

- Indiana leads most competitor destinations in attracting visitors from high income households.
  - Indiana leads most of the Competitive Set in visitation from people from $100K+ households.
  - Indiana and each competitor state has a smaller share of high income visitors than the typical U.S. destination.
  - The average income for Indiana visitors is $66,300 in 2006, about 6% **lower** than the 2004 report. This is lower than the U.S. average and the Competitive Set average.
  - Indiana very closely approximates the typical U.S. destination in the <$50K share at 36%

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Targeting Intelligence Overview *(cont.)*

The Lifestage analysis produces mixed results in the combinations of age, income and children in the household.

Lifestage Comparisons

- Indiana's propensity to attract visitors with children in the home is reflected in the Lifestages with children
  - The largest share of Indiana ONL by lifestage is in Young Families, with 27% of all ONL visitors falling into this Lifestage category, followed by maturing & Frees at 17% share.
  - The Young & Free visitors are down from 2004, dropping from 15% share to 10% this year. Young Families, however, are up to 27% from 19% in '04.
  - Indiana draws the fewest ONL visitation from Affluent Matures, who comprise only 8% of 2006 ONL Person-Stays to the Hoosier State.
  - Moderate Matures are up for Indiana in '06, increasing 2 percentage points in share of all ONL
- The Affluent Family Lifestage is down from a 14% share in 2004 to 11% in 2006, although Affluent Families show little change in share for the Competitive Set.
- Indiana's Affluent Matures show a 20% basis drop from the previous levels in 2004.
- For comparison, each of the affluent Lifestages for the average U.S. destination are stable across the board, save that Moderate Matures are slightly up and Young Families are slightly down.
- The Competitive Set is attracting the older Lifestages, increasing share of Maturing & Frees and Moderate Matures in ONL travel. In Indiana, both of these segments would represent higher average per party per trip spending.

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Targeting Intelligence Overview *(cont.)*

Generational Comparisons

- Travelers in the Millennial generation are aging into Indiana's ONL market. Assumptions about Millenials in this report come with the caveat that, given their young age and general entry into the contract-signing, credit holding, car renting traveling public, the information concerning Millenials come from a small base sample.
  - In 2004, Millenials represented a 2% share of Indiana's ONL market, and in this reporting year they are a 6% share.
  - As Indiana ONL travelers skew younger, increases will be indicated among the Millenials in the future.

- Generation X accounts for the largest share – 47% – of ONL in The Hoosier State in 2006. It is important to recognize Indiana's Leisure product appeals to younger travelers.
  - The average National Leisure destination has a 41% share of Generation X ONL travelers. Indiana leads both the U.S. average and is slightly ahead of the Competitive Set in attracting Gen X visitors.
  - Indiana actually had a larger share of Generation X visitors in 2004; the numbers for this generational cohort are down 13% from the last reporting year. U.S. share and Competitive Set share of Gen X are also both down now as compared to 2004.
  - In the combined travel years 2004 through 2006, Gen X ONL visitors spend 16% less than the statewide average in terms of Average Party per Trip spending, which is the lowest average amongst all generations.
  - The share of Trip-Dollars is less than the share of Stays for Gen X making them a less financially valuable traveler for local Indiana destinations.

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Targeting Intelligence Overview *(cont.)*

Generational Comparisons (cont'd)

- Boomers account for about one-third of Indiana's '06 ONL visitors., which is relatively unchanged from 2004 levels and lower than reporting years previous to 2004.
  - Boomers' share of the U.S. Leisure market is relatively static between '04 and '06. Collectively, the Competitive Set is also unchanged in terms of travel share of Boomers.
  - Indiana draws the fewest Boomer travelers from among all of the competitor states. Its 32% share of Boomers in the 2006 ONL market is also lower than the U.S. average of 35%.
  - Boomers are more valuable visitors for Indiana destinations. Between 2004 and 2006, Boomers represent a 9% higher share of Trip-Dollars spending than they do Stays, making them the most valuable of Indiana's visitors.

- At 13%, the Silent Generation Leisure travelers account for the same percentage share of Indiana's ONL travel this year as in 2004.
  - Comparatively, Silents account for the same 13% percentage share of travel for the collective Competitive Set.
  - Silents are valuable to local Indiana destinations. In 2004 through 2006, Silents in Indiana spend a greater share on a Trip-Dollar basis than the share of their Stays. Silents also have an average party per trip spending level about 20% higher than the typical Indiana ONL visitor.

- The GI generation is aging out of the Indiana travel market. In 2006, they comprise only about 1% of all Indiana ONL. GI's are similarly represented in share of Competitive Set ONL, and make up about 2% of the total U.S. share of ONL visitation.

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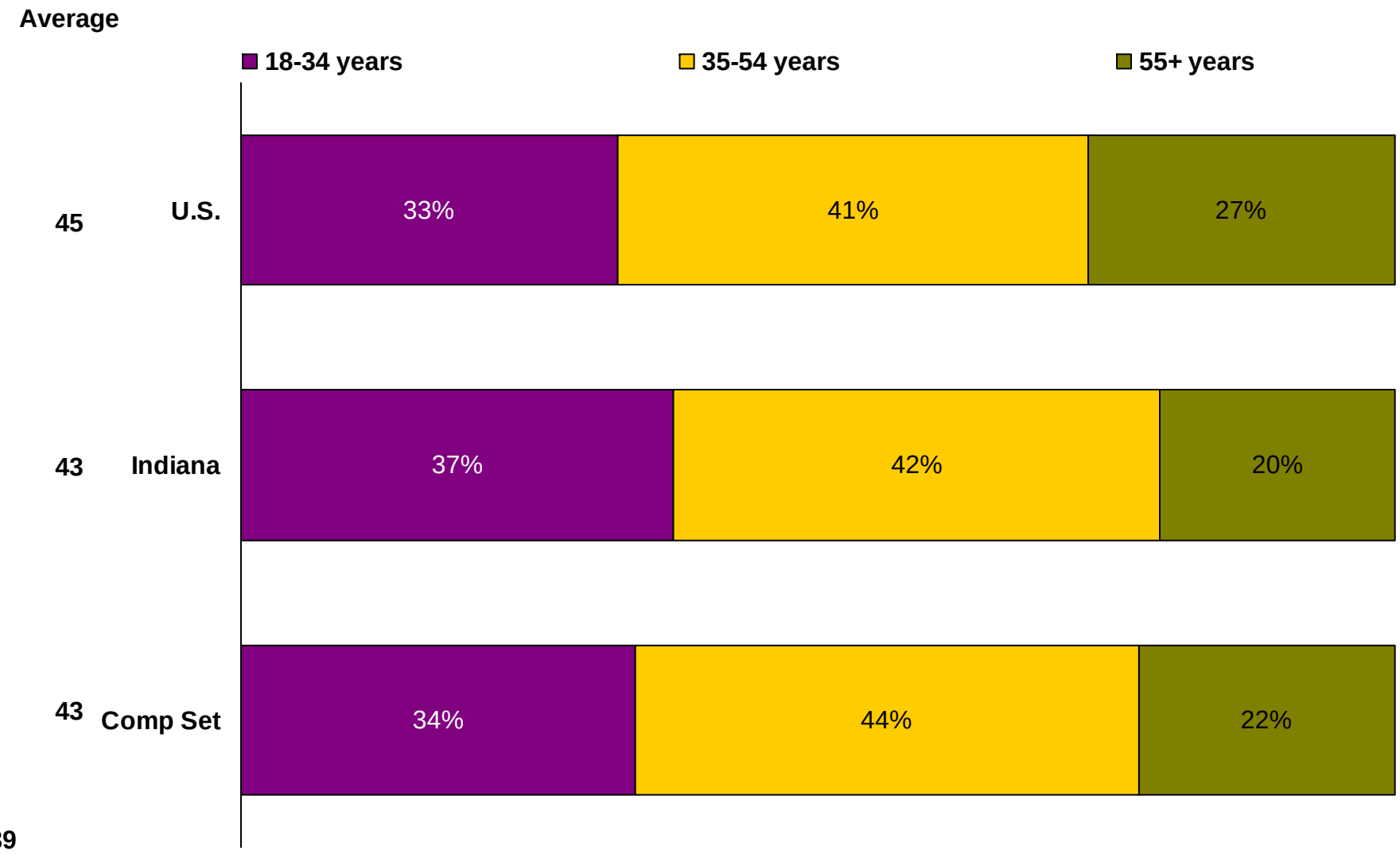
Age Distribution: U.S. , Indiana and Comp Set

(% of Overnight Leisure Person-Stays in 2006)



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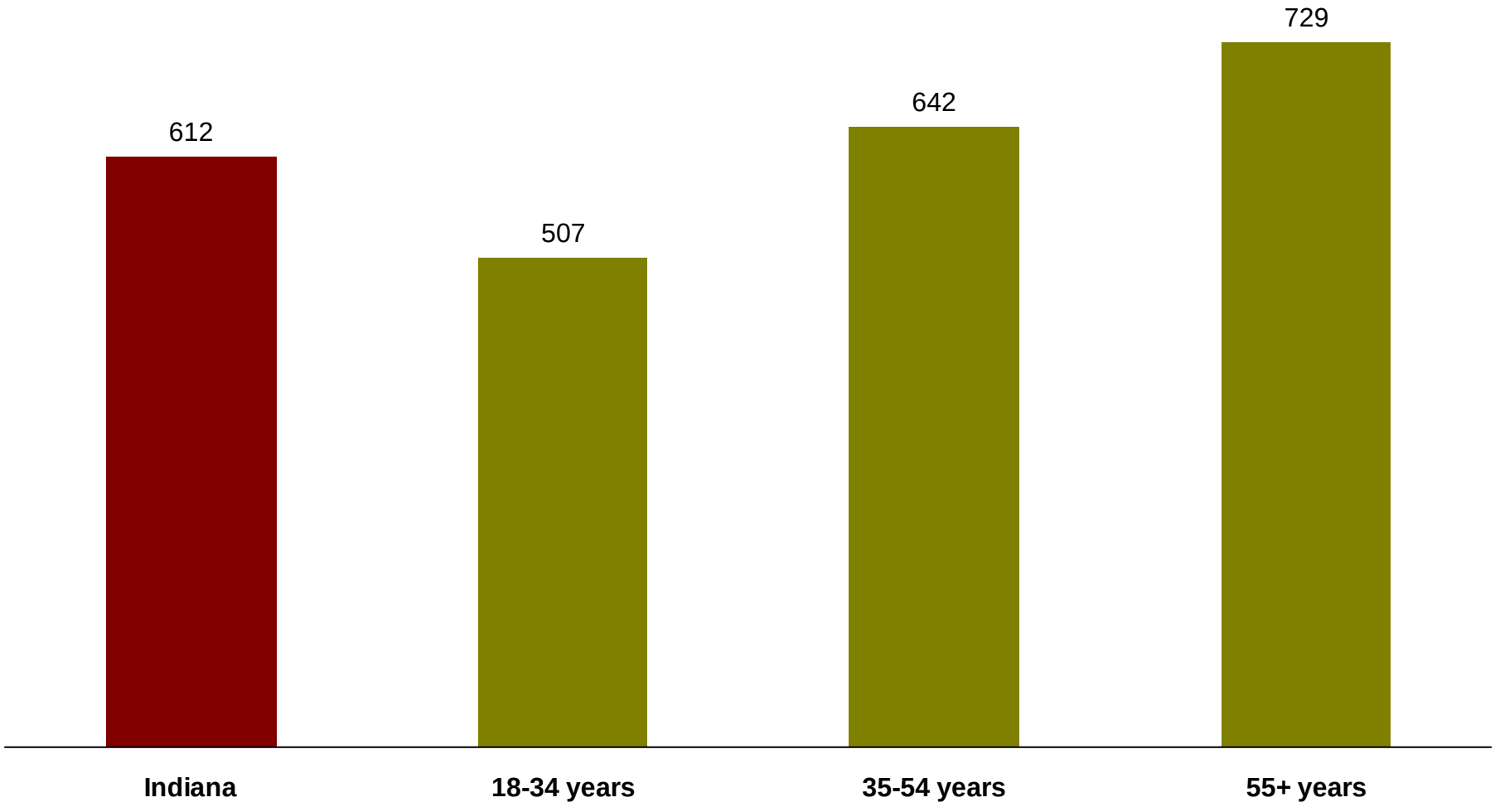
Indiana Avg. Party per Stay Spending by Age

($ Overnight Leisure Stays in 2004 - 2006)



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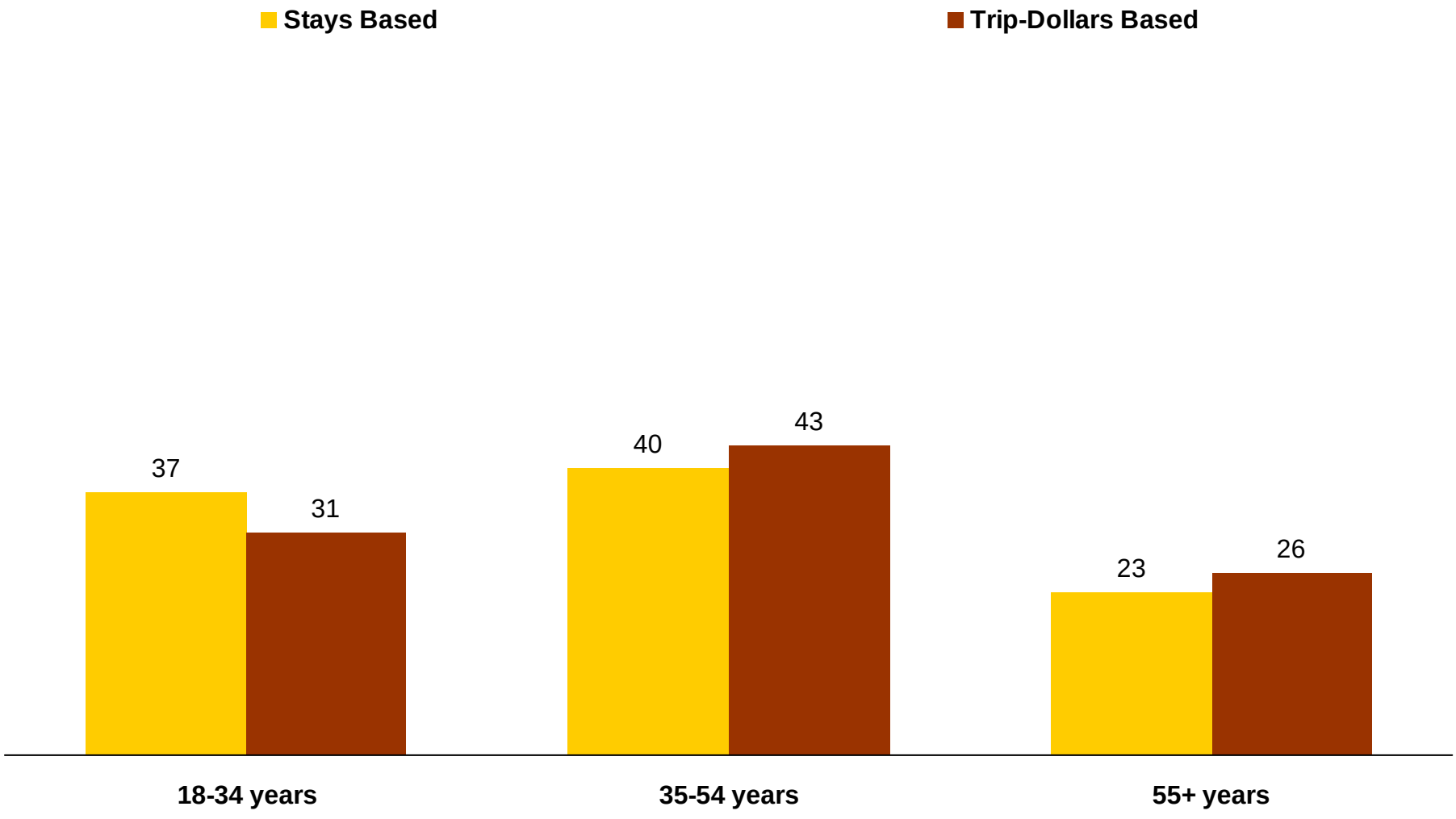
Indiana Age Comparison

(% of Overnight Leisure in 2004 - 2006)



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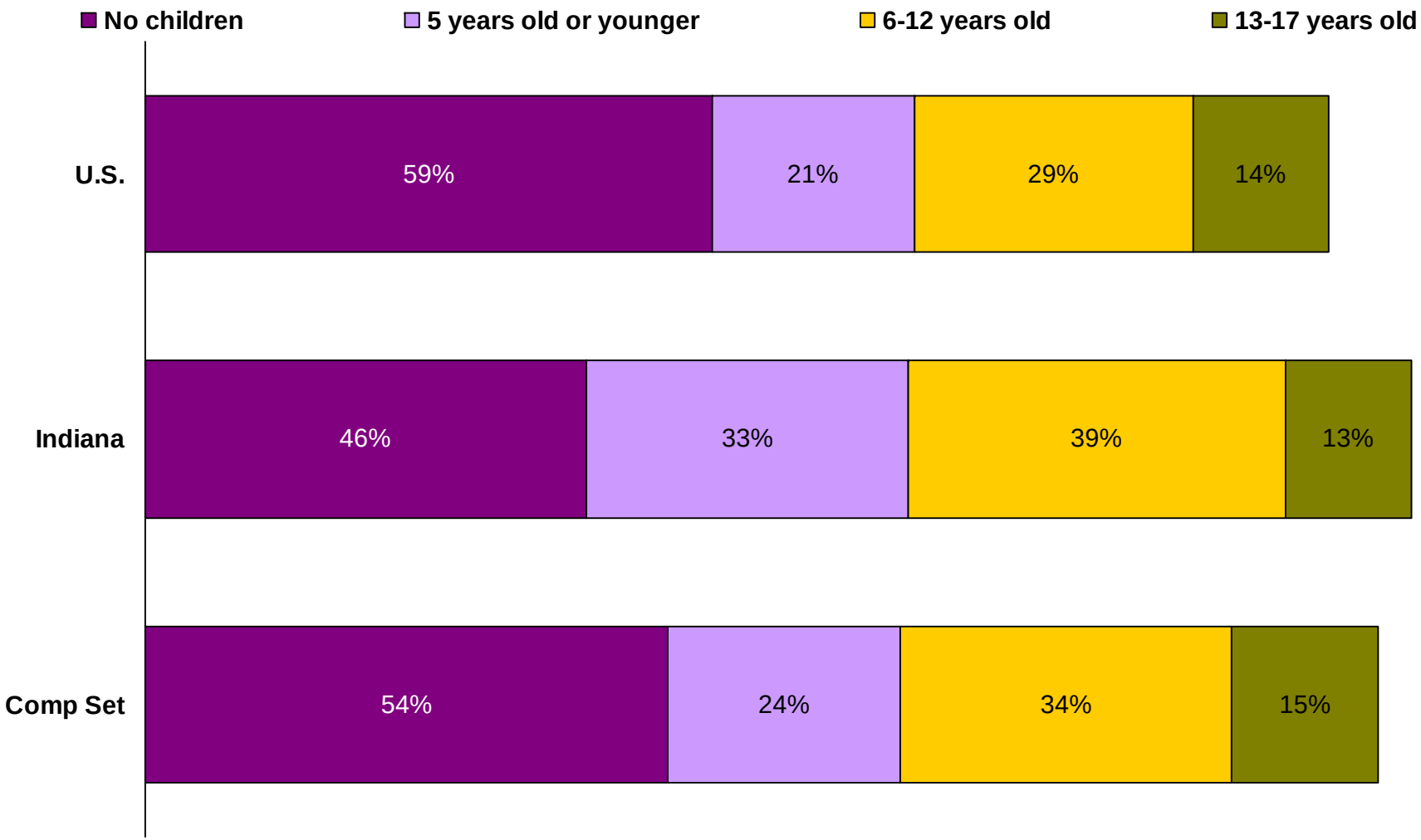
Distribution of Children in Household: U.S. , Indiana and Comp Set

(% of Overnight Leisure Person-Stays in 2006)



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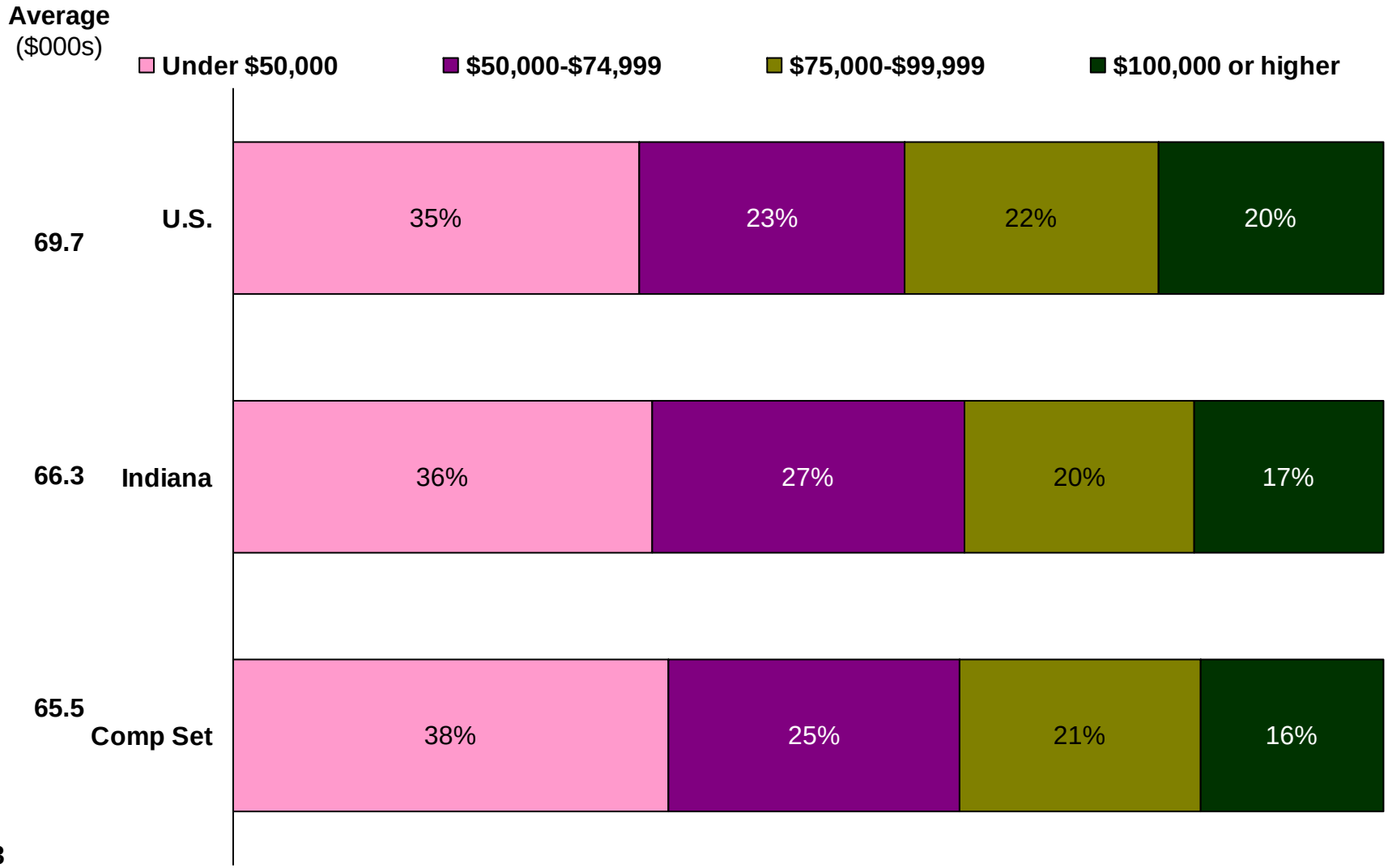
Household Income Distribution: U.S. , Indiana and Comp Set

(% of Overnight Leisure Person-Stays in 2006)



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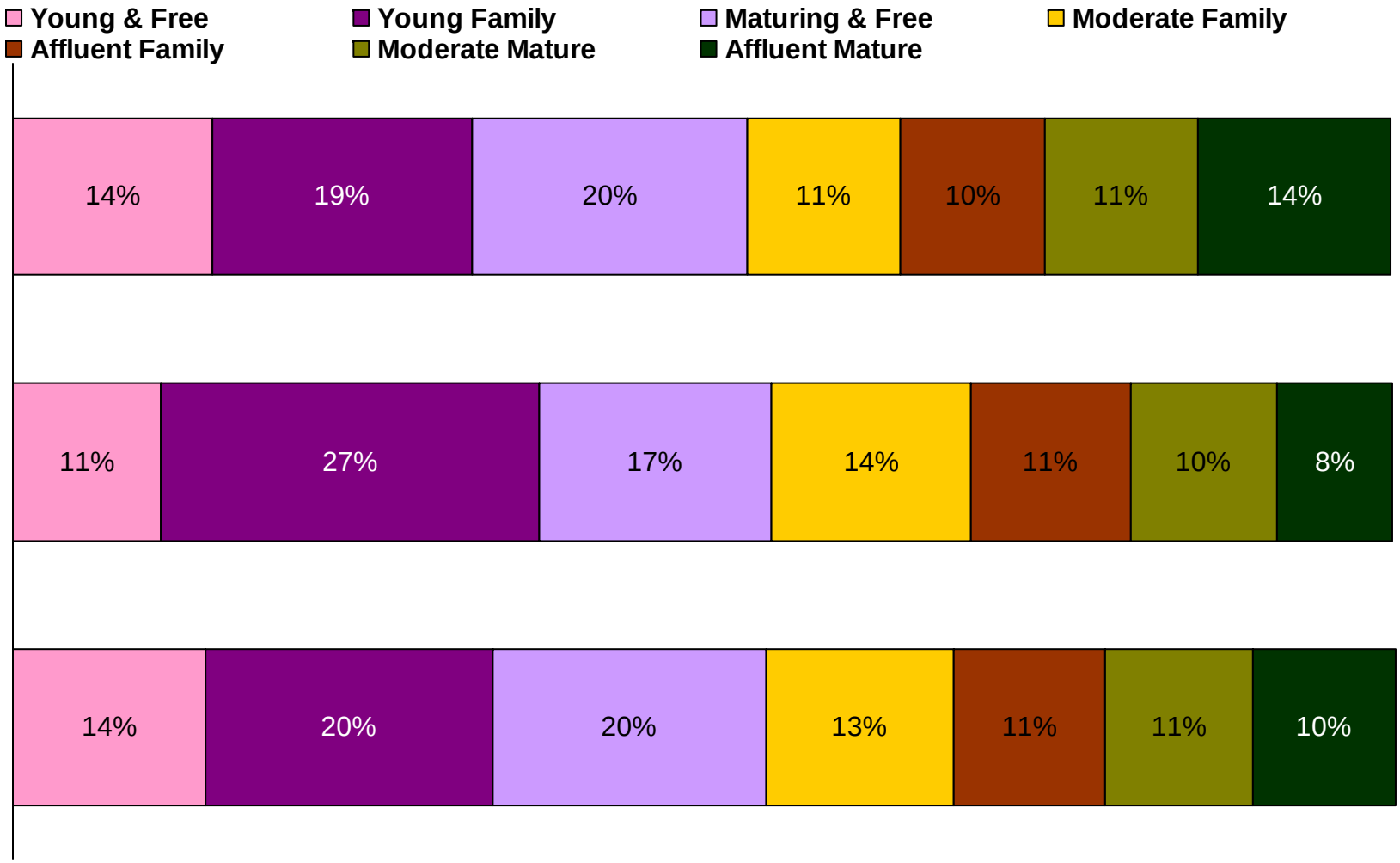
Lifestage Distribution: U.S. , Indiana and Comp Set

(% of Overnight Leisure Person-Stays in 2006)



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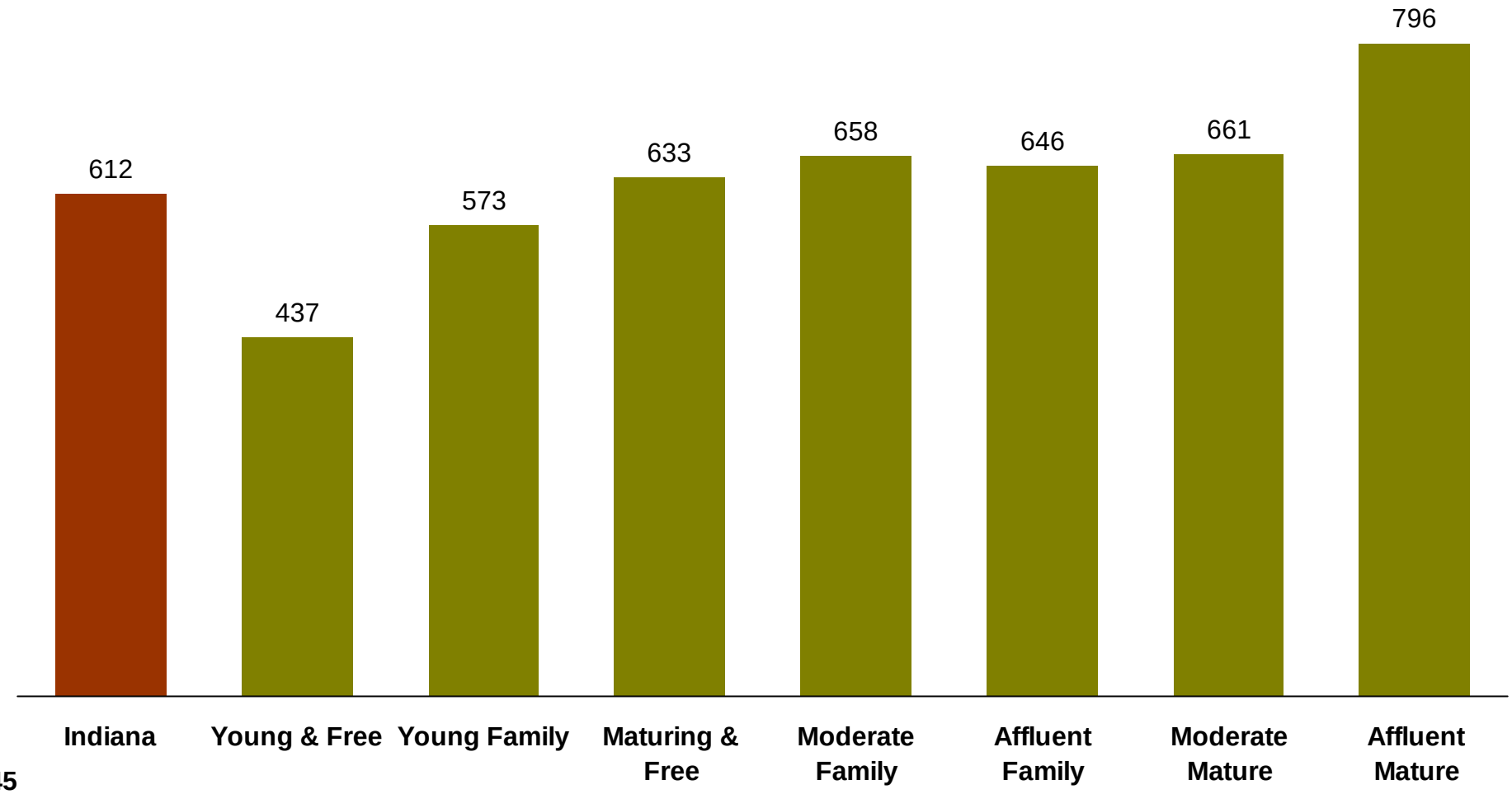
Indiana Avg. Party per Stay Spending by Lifestage

($ Overnight Leisure Stays in 2004 - 2006)



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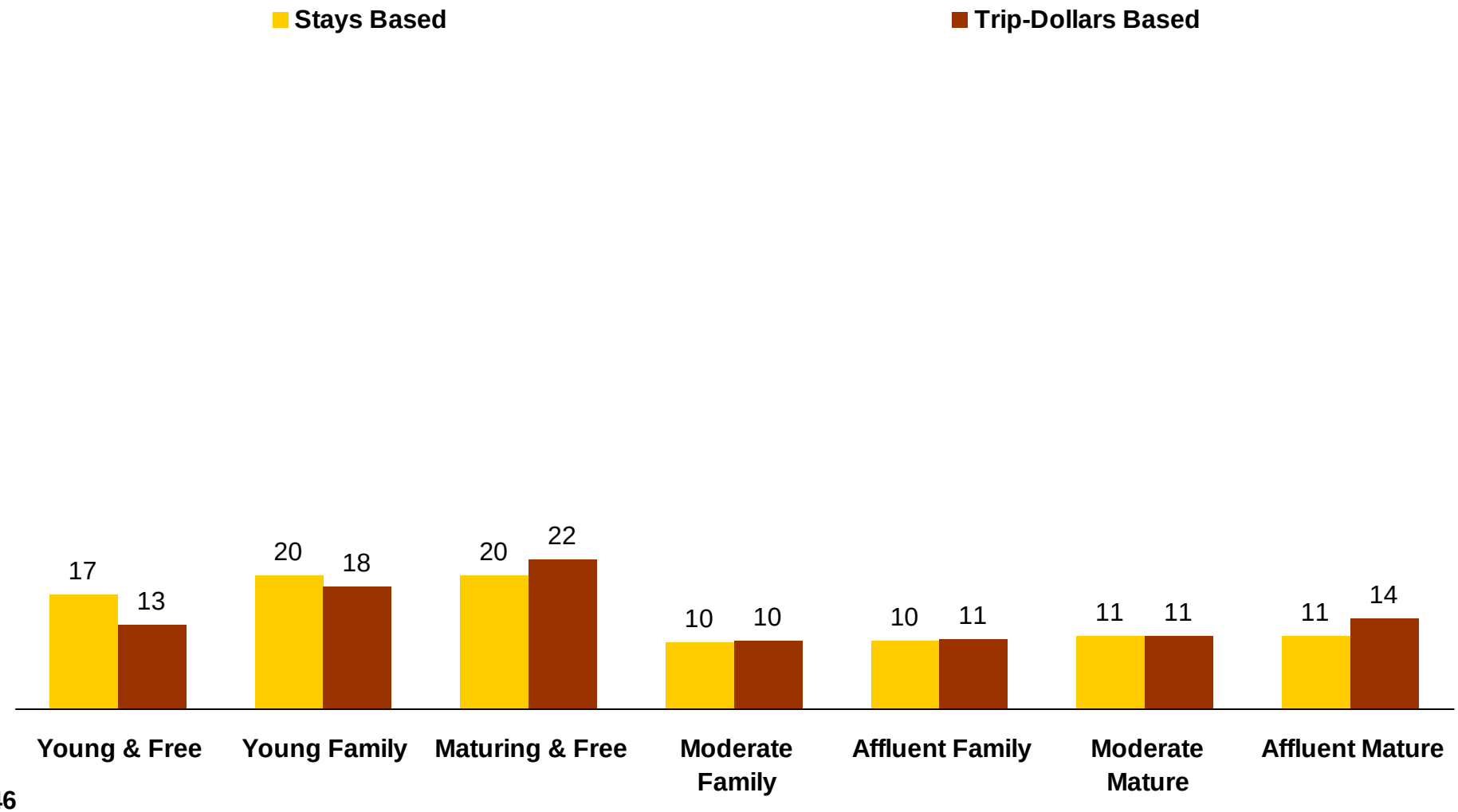
Indiana Lifestage Distribution

(% of Overnight Leisure in 2004 - 2006)



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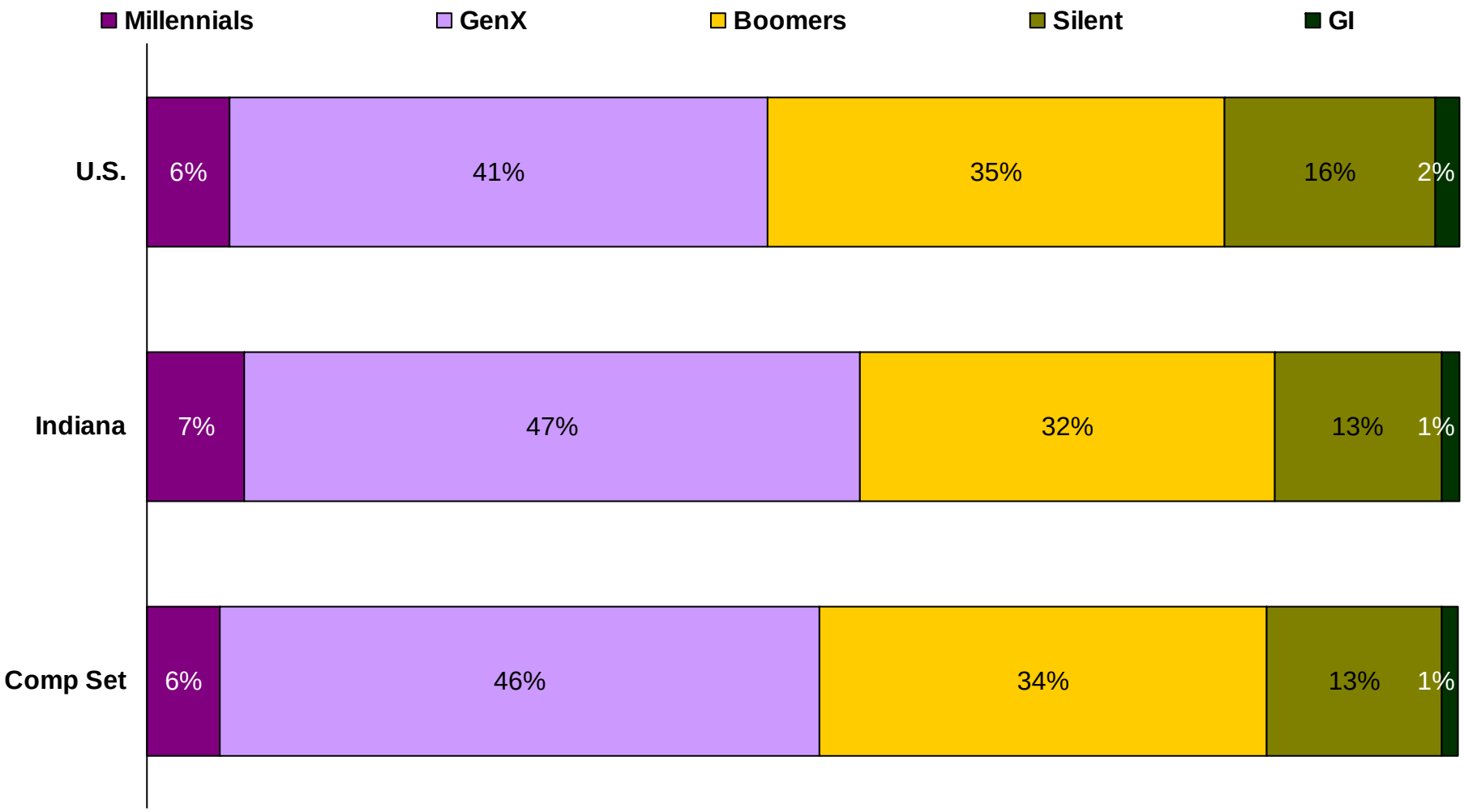
Traveler Generation Distribution: U.S. , Indiana and Comp Set

(% of Overnight Leisure Person-Stays in 2006)



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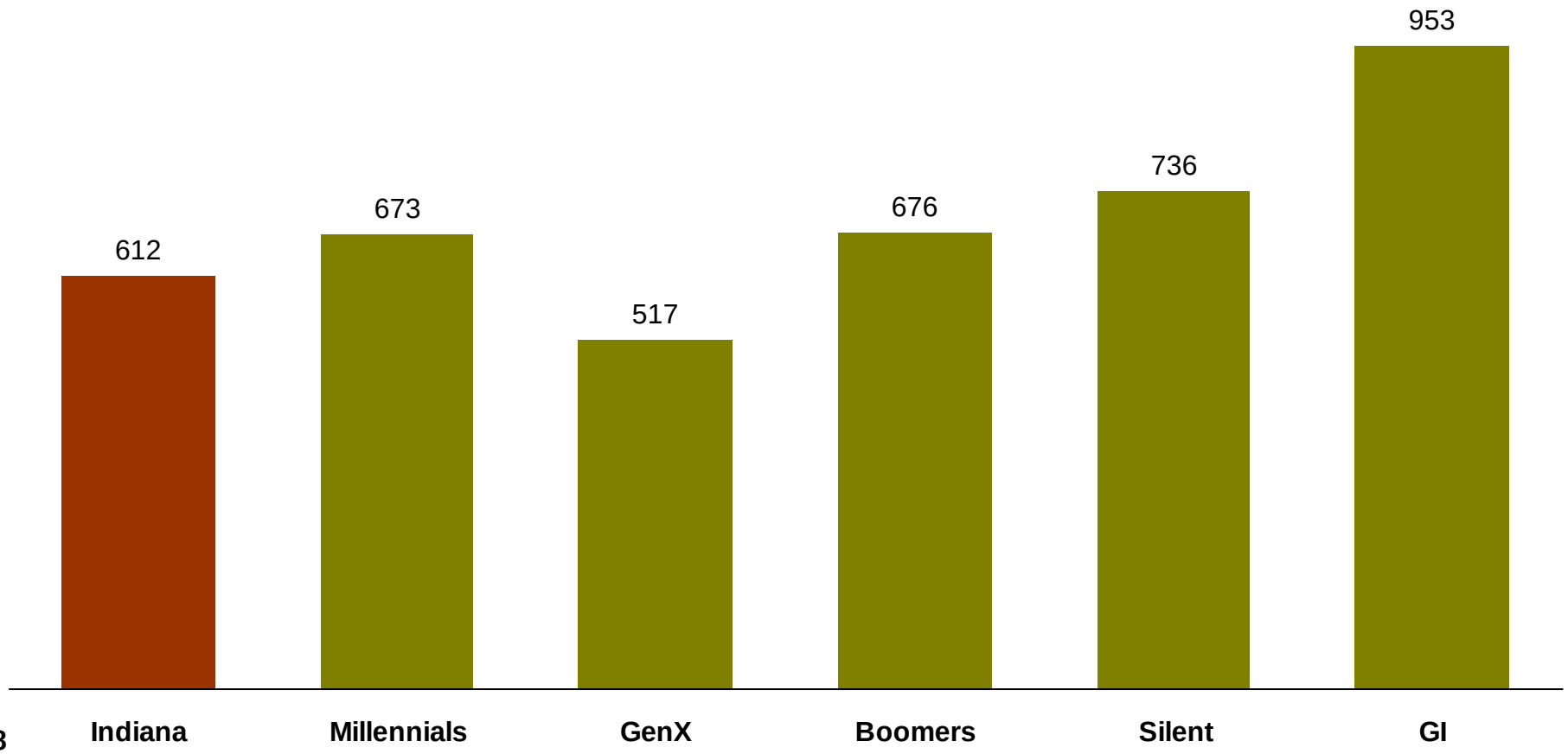
Indiana Avg. Party per Stay Spending by Generation

($ Overnight Leisure Stays in 2004 - 2006)



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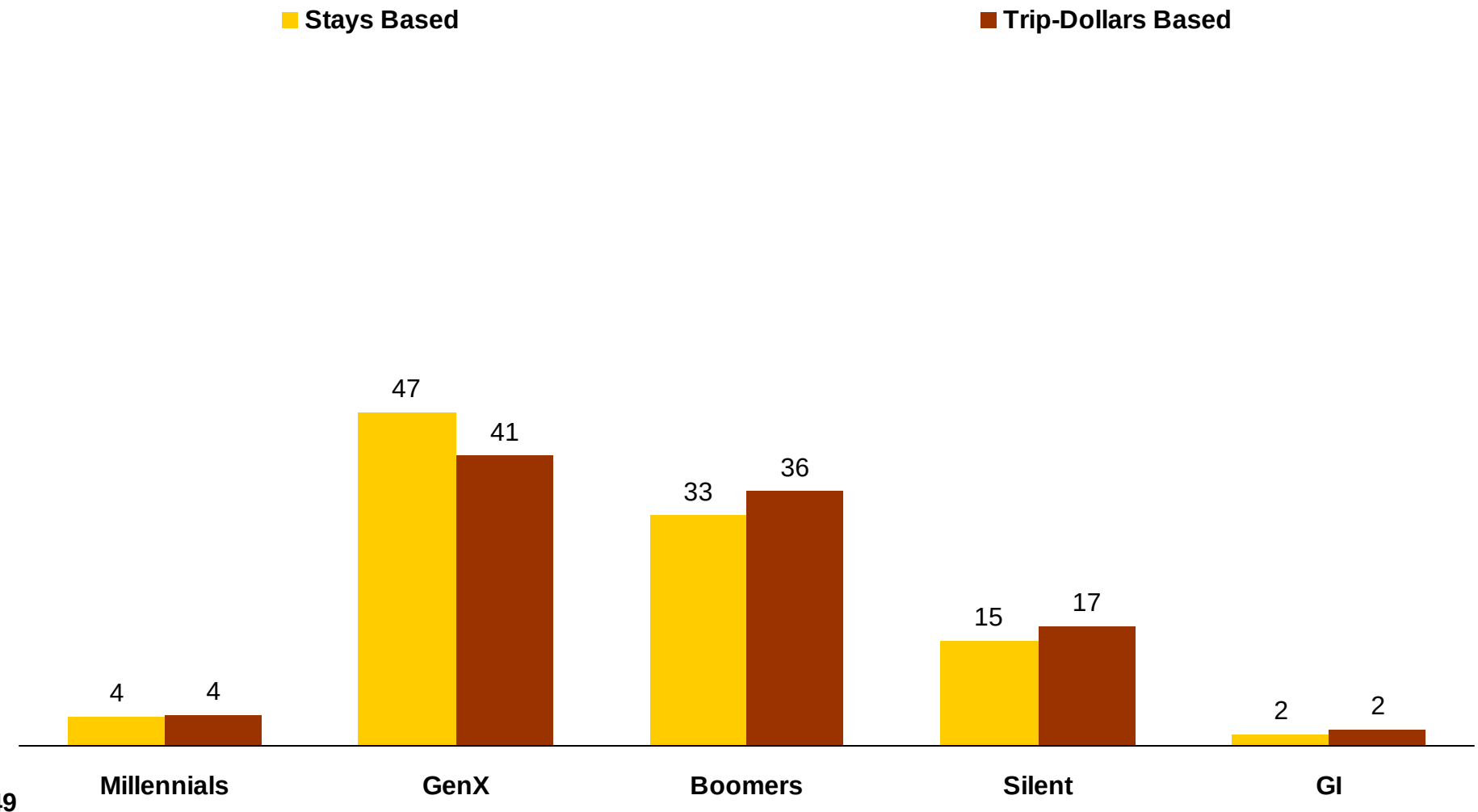
Indiana Traveler Generation Comparison

(% of Overnight Leisure in 2004 - 2006)



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Positioning Intelligence Overview

Who is Coming to Indiana? *Party Composition*

Indiana's 2006 Overnight Leisure visitors somewhat reflect the same characteristics as the typical U.S. Leisure destination, however more of Indiana's ONL visitors have children present in their Travel Party.

With an increase in family visitors, it follows that Indiana tends to have slightly less adult-only group party configurations than the average U.S. Leisure destination. It is noteworthy though that fewer of The Hoosier State's ONL parties were couples in '06 compared to the National average, and that even fewer parties are made up of Two Males or Two Females.

Indiana is a popular ONL destination for solo travelers, which occurs at higher levels than both the typical U.S. Leisure destination or the collective Competitive Set in 2006.

- The average Indiana Leisure traveling Party Size in this reporting year is 2.57 people, an increase of about 8% over 2004 levels.
- This level is above the U.S. average ONL Party Size of 2.47 people, and matches the combined average of the Competitive Set.

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Positioning Intelligence Overview *(cont.)*

Who is Coming to Indiana? *Party Composition Continued*

At 35%, the largest proportion of Indiana Travel Parties are Families

- Which is well above the U.S. average of 29% ONL family parties, and very closely aligned with the aggregated Competitive Set, which has 33% family ONL parties.
- In combined travel years 2004 through 2006, Families Spend just above the average amount for ONL parties.
- Families account for the greatest share of Trip-Dollars spent on ONL in the State. In combined travel years 2004 through 2006, parties with children present account for 37% of Trip Dollar spending in the State, spending very slightly more than the share their stays.

In 2006, Couples comprise 30% of Indiana ONL parties At 30%, Indiana has the lowest share of couples ONL parties among all the Competitor States for the year. In fact, the portion of Indiana ONL couples is below both the U.S. average and Completive Set levels.

- The typical U.S. destination in 2006 has 37% couples.
- In combined travel years 2004 through 2006, couples represent one-third of all Indiana ONL.
- Couples are a desirable Travel Party for Indiana. The average Per Party Per Trip spending of couples is higher than the average for the State; couples spend more in Trip-Dollars than their representation in total Stays.

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Positioning Intelligence Overview *(cont.)*

Adults traveling alone are 25% of the ONL 2006 visitors to The Hoosier State.

- Indiana has the highest proportion of adults traveling alone for ONL in this reporting year as compared to the Competitive Set states.
- Solo travelers are not valuable visitors to the local destinations. In the 2004-2006 travel years, adults traveling alone spend nearly half as much in Trip-Dollars in proportion to their representation in Stays.

Why Are Visitors Coming to Indiana? *Purpose of Stay*

By far, Overnight Leisure visitors in this reporting year come to Indiana primarily to Visit Friends and Relatives. Indiana's share of all '06 ONL that is dedicated to VFR is closely in line with Indiana's Competitive Set average. Getaway Weekends account for the next highest share of Overnight Leisure travel. The Hoosier State is a draw for Special Events, which ranks as the third most popular reason for Overnight Leisure visits. Juxtaposed to the typical U.S. destination, relatively few visitors come to Indiana for a General Vacation.

About 42% of visitors travel in order to Visit Friends and Relatives (VFR)

- Indiana's VFR is about five percentage points higher than the U.S. average, but on par with the Competitive Set, which is 41% VFR.
- VFR visitors represent the lowest portion of traveler spending. In combined travel years 2004-2006, Average Party per Trip Spending for VFR parties is 23% below the average spending level for Indiana.
- In the combined travel years between 2004-2006, VFR parties account for 36% of all Trip-Dollar spending in Indiana, generating the highest portion of Trip-Dollars in the State; however, VFR parties *spend* a smaller share on a Trip-Dollars basis than they represent in the share of Travel Parties to the State.

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Positioning Intelligence Overview *(cont.)*

At 21%, Getaway Weekends account for the next highest share of Leisure travel in 2006. The average U.S. Destination attributes 20% of its 2006 Overnight Leisure visitation to Getaway Weekends.

- In the combined travel years 2004 through 2006, Getaway Weekends represent the third highest share of Indiana Trip-Dollars, contributing 19% of the spending in those years. Getaway Weekend visitors are valuable to the local tourism economy.

In this report year, Special Events provides 15% Indiana's ONL.

- Visitors coming to Indiana for Special Events are valuable. The travelers represent he second highest share of Trip-Dollars spending, the most economic benefit in proportion to Stay portion, and the second highest average per party per trip spending.
- Indiana drew more ONL parties for Special Events in previous year. In 2006, Special Events is at the lowest level from any previously reported year ('04, 01, '00, or '98).

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Positioning Intelligence Overview *(cont.)*

How Long Do People Visit Indiana? *Length of Stay*

Indiana ONL visitors are staying longer. The average Length of Stay for overnight Leisure visitors is up for Indiana compared the last reporting year, which is the largest growth compared to ONL Length of Stay among the competitor states. Despite this marked gain, however, Indiana still shows the shortest Length of Stay for ONL than any state in the Competitive Set and is well below the National average ONL Length of Stay.

- 2.45 day ONL Length of Stay in 2006.
- Increase of 5.6% over 2004 Length of Stay
- U.S. average ONL Length of Stay is down 1.7% compared to 2004.
- ONL Length of Stay is down for the collective Competitive Set.

One-night visitors:

- 42% of Indiana's ONL is one night in 2006, where the average U.S. destination is 35%.
- Only One-night visitors spend less at the local destination in Trip-Dollars. From 2004 through 2006, One-night ONL represents 31% of all Indiana Leisure Trip-Dollars, but 44% of all Indiana Stays.
- One-nighters spend 33% less than the State's average in per party per trip spending.

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Positioning Intelligence Overview *(cont.)*

Two-night visitors

- Indiana leads the U.S. average and each state in the Competitive Set for two-night ONL visits.
- 31% of 2006 ONL in Indiana was for two nights.
- In the combined travel years 2004 through 2006, two-night visitors account for fully 41% of all of the Leisure Trip Dollar spending in the State. Two-night visitors spend far more in Trip-Dollars at local destinations (about 37%) in proportion to the their share of Stays.

Three nights or more

- Indiana has the smallest proportion of three+ night Leisure parties than the U.S. or any competitor state.
- Only 27% of 2006 Indiana ONL parties stay three nights or longer, compared to 36% nationally, or 32% for the collective Competitive Set.
- Only 3+ night ONL parties show an average party per trip spending level in excess of the average party spending for the State.
- Stays of this length are down compared to previous travel years.

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Positioning Intelligence Overview *(cont.)*

Where do Visitors Stay in Indiana? *Accommodation Type*

While more 2006 ONL parties visiting Indiana choose to stay in a hotel, a smaller percentage chose to do so this year than in 2004. It is notable that Indiana ONL travelers staying at a paid hotel is down for the year while the level of Paid Hotel Accommodations for the U.S. average and the Competitive Set are both static in the same compared timeframe. As for other 2006 overnight Leisure travelers to the Hoosier State, one-third of Indiana's ONL visitors choose to stay in private homes when they traveled in this reporting year, while one in ten stay in a paid accommodation other than a hotel.

- At 46%, Hotels are the first choice of accommodation type among ONL visitors. This percentage closely reflects the portion of Hotels among accommodation types at the typical U.S. destination.
- The Competitive Set average of ONL Hotel use is 47%.
- For 2006, Indiana hotel use is down about 10% lower than 2004 levels. Indiana is losing share of hotel use among ONL travelers when the national level is unchanged.
- Hotels are important for destinations. Leisure visitors in Hoosier hotels from 2004 through 2006 account for fully 61% of the Trip-Dollar spending on Leisure travel in Indiana in that timeframe.
- Alternatively, visitors who choose to stay in private homes while in Indiana is up 11% over 2004 levels, also while U.S. and Competitive Set levels on this measure are unchanged.

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Positioning Intelligence Overview *(cont.)*

How Do Visitors Spend Their Time in Indiana? *Activities*

Visitors cite Dining as their most popular activity, followed by shopping, entertainment, and then sightseeing. Among these activities, however, 2006 ONL visitors to Indiana participated in each of these at levels lower than both the National average and the Competitive Set average. What sets The Hoosier State apart, then, is the reported activities from Indiana ONL visitors who go to National or State parks or who visit to Watch Sporting events. In 2006, Indiana's visitors report a higher participation level of State and National park usage than any single state among the Competitive Set or the average U.S. ONL destination.

Based on National activity participation levels, however, Indiana is a destination for watching sports and for participating in outdoor activities (listed as Biking, hiking, adventure sports, nature/eco-travel, camping, visiting State and National parks.)

- Compared to the U.S. index of participation levels in activities, Watching Sports is the leading activity that puts Indiana ONL visitors ahead of the visitor to a typical U.S. ONL destination; Watching Sports occurs in Indiana at 80% above the typical U.S. average.
- Parties that visit to watch sports spend more in Trip-Dollars than their portion of Stays. Sport Watchers account for 13% of all Leisure Trip-Dollars spent in the state from 2004 through 2006.
- From 2004-2006, sports watchers also have a 37% higher average party per trip spending over the State average spending level.
- Hiking and Biking post the second highest participation level for Indiana ONL visitors, occurring at 75% above the average U.S. Leisure travel destination.

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Positioning Intelligence Overview *(cont.)*

How Do Visitors Spend Their Money in Indiana? *Average Daily Spending*

On a percentage basis, daily categorical spending among Indiana's 2006 overnight Leisure parties (weighted by Person-Days) is almost entirely reflective of the Competitive Set aggregate and also of the U.S. average. The Average Daily Spending for Indiana ONL is $82, which is 24% less than the typical U.S. Leisure destination, and 12% less than the Competitive Set average

- At 28%, most of the daily personal spending by Indiana ONL visitors is allocated to transportation.
- About 25% of 2006 daily spending is for food.

How Do Visitors Get to Indiana? *Transportation method*

Indiana ONL visitors drive. Indiana leads U.S. average and the Competitive Set in travel to the destination by auto. In contrast, very few visitors choose to fly to The Hoosier State, and Indiana is lowest rank for air travel among Competitive Set average and the National Average.

- Nine in ten of Indiana's visitors arrive by Auto. This is ten percentage points higher than the typical U.S. destination, and five percentage points higher than the Competitive Set average.
- Only 5% of Indiana's 2006 ONL visitors traveled by air, compared to the U.S. average of 13%.

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Positioning Intelligence Overview *(cont.)*

When Do Visitors Come to Indiana? *Trip Timing*

Summer prevails as the most popular time for Indiana's ONL visitors and June and August tie as the most popular months to visit The Hoosier State for this reporting year. In fact, when comparing the most recent reporting years (2006,2004,2001,2000,1999) there is extremely little change in seasonal visitation for Indiana, for the collective Competitive Set, or for the typical U.S. destination.

- About one-third of Indiana's ONL visitors arrive during the summer, with 12% of 2006 travel starting in June, 10% in July, and another 12% in August.
- Average party per trip spending is highest in Summer months, averaging $723 in the travel years 2004 through 2006, which is $111 higher than the average party spending for Indiana.
- Summer ONL visitors spend more in Trip-Dollars than their representation in share of Stays, thereby contributing more to the coffers of local destinations.
- Fall and Spring each account for 23% of Indiana's ONL for 2006.
- After Summer, Spring brings the second-most valuable seasonal travelers to the State. Between 2004 and 2006. Spring ONL visitors have an Average Party per Trip spending of $621, marginally higher than the Indiana average of $612. Similarly, Spring visitors spend slightly more in Trip-Dollars in relation to their portion of Stays.

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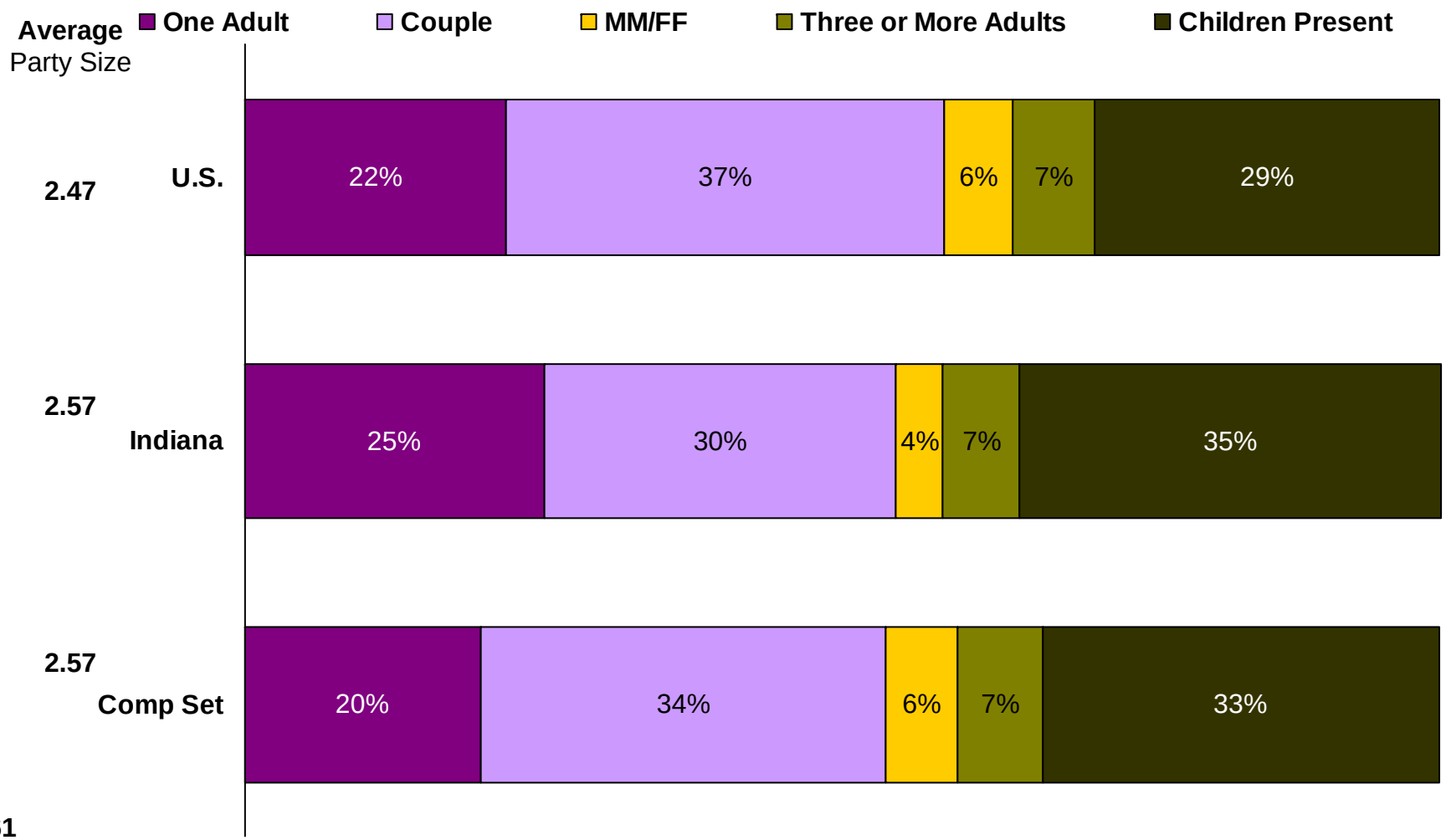
Travel Party Composition Distribution: U.S. , Indiana and Comp Set

(% of Overnight Leisure Stays in 2006)



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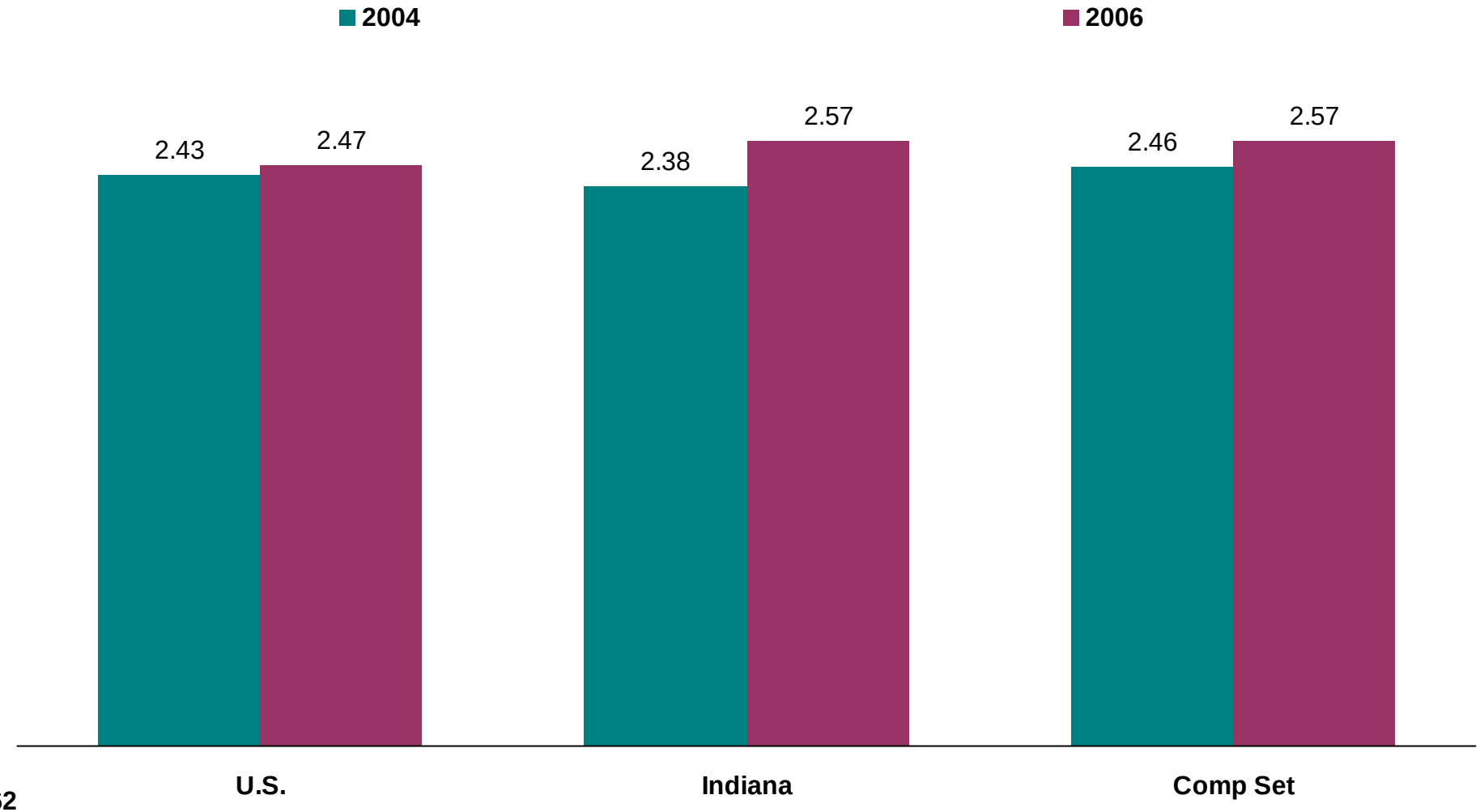
Average Travel Party Size Overview: U.S. , Indiana and Comp Set

(Overnight Leisure Stays)



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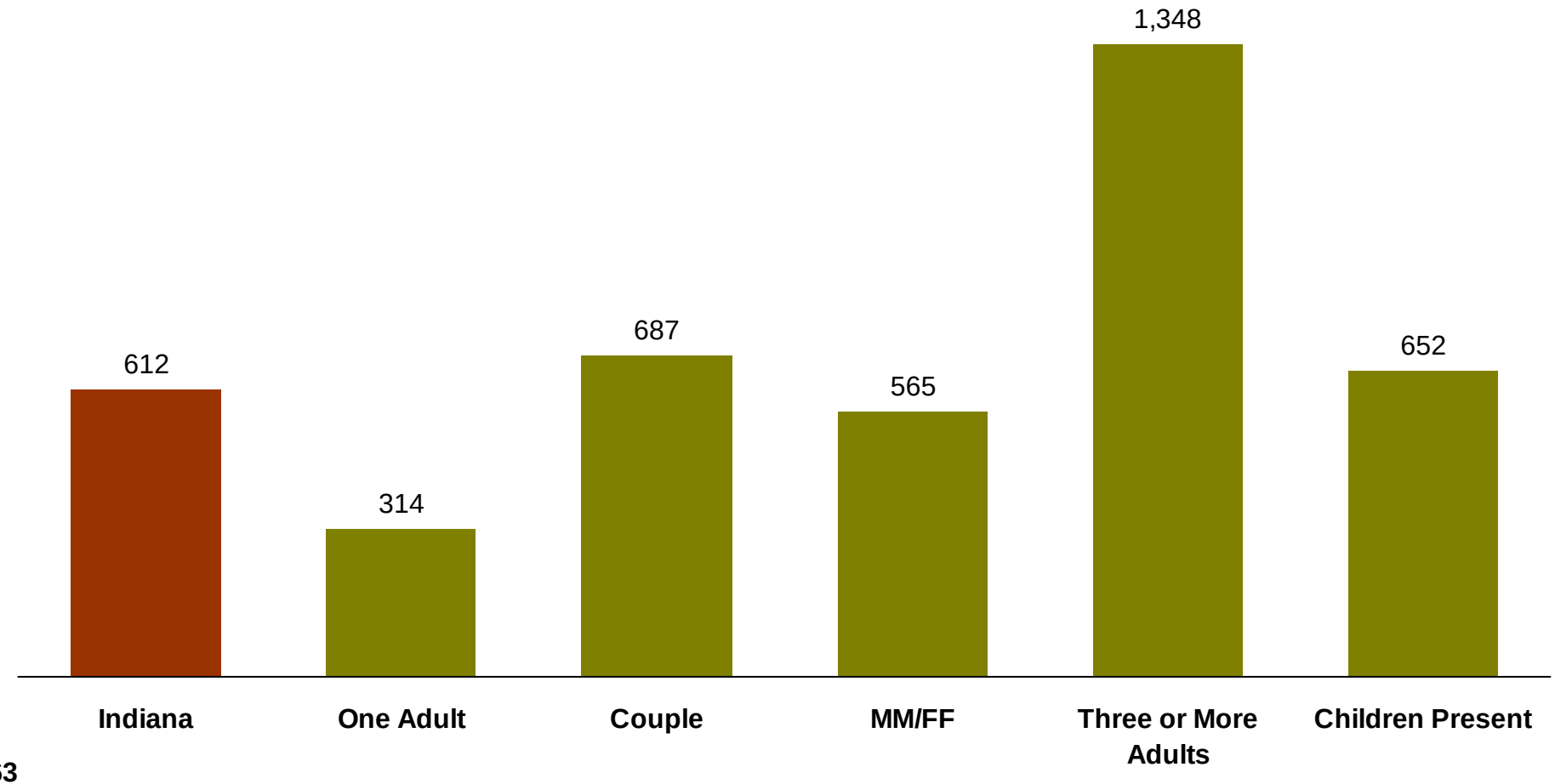
Indiana avg. Travel Party per Trip Spending by Traveling Party

($ Overnight Leisure Stays in 2004 - 2006)



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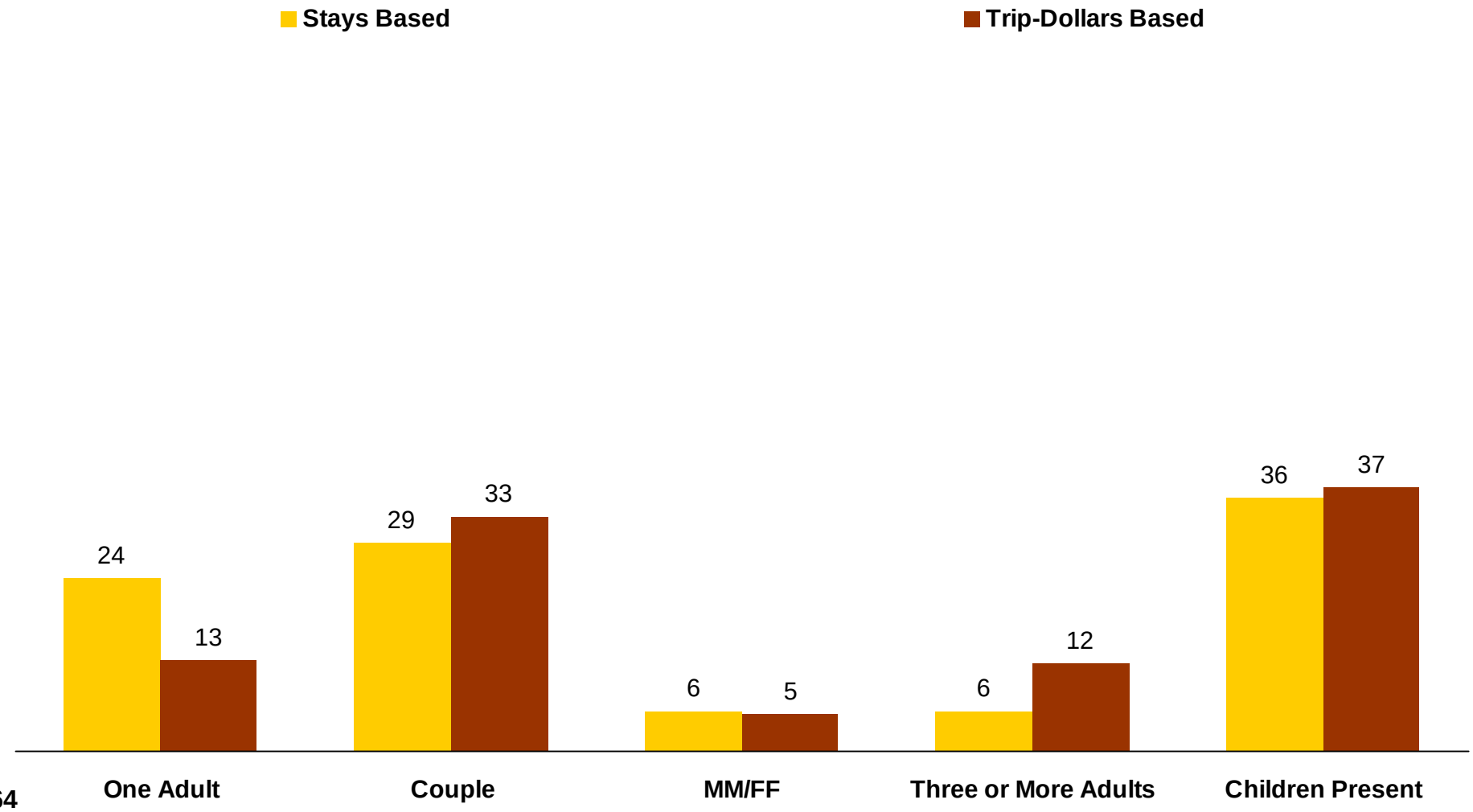
Indiana Travel Party Composition Comparison

(% of Overnight Leisure in 2004 - 2006)



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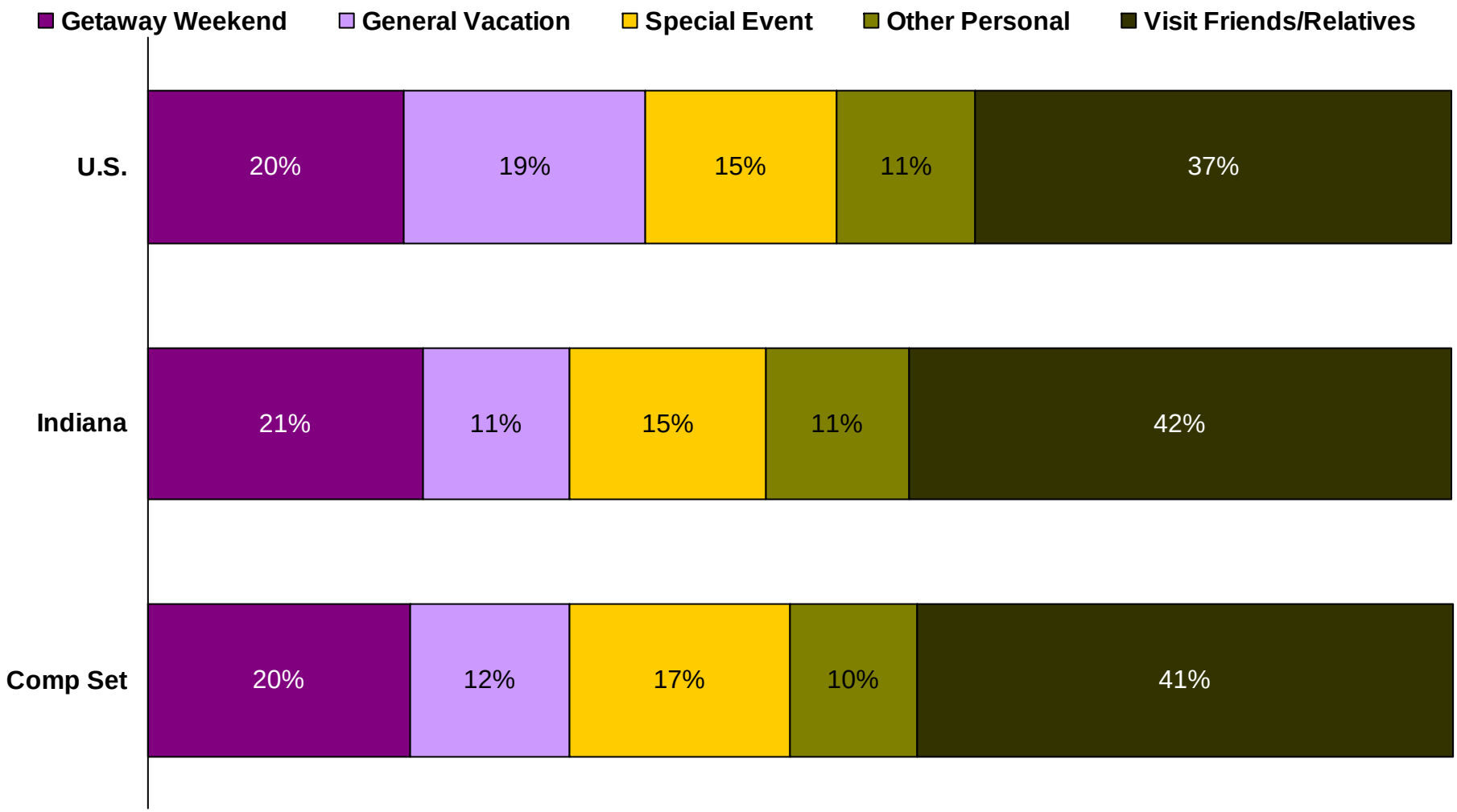
Purpose of Stay Distribution: U.S. , Indiana and Comp Set

(% of Overnight Leisure Person-Stays in 2006)



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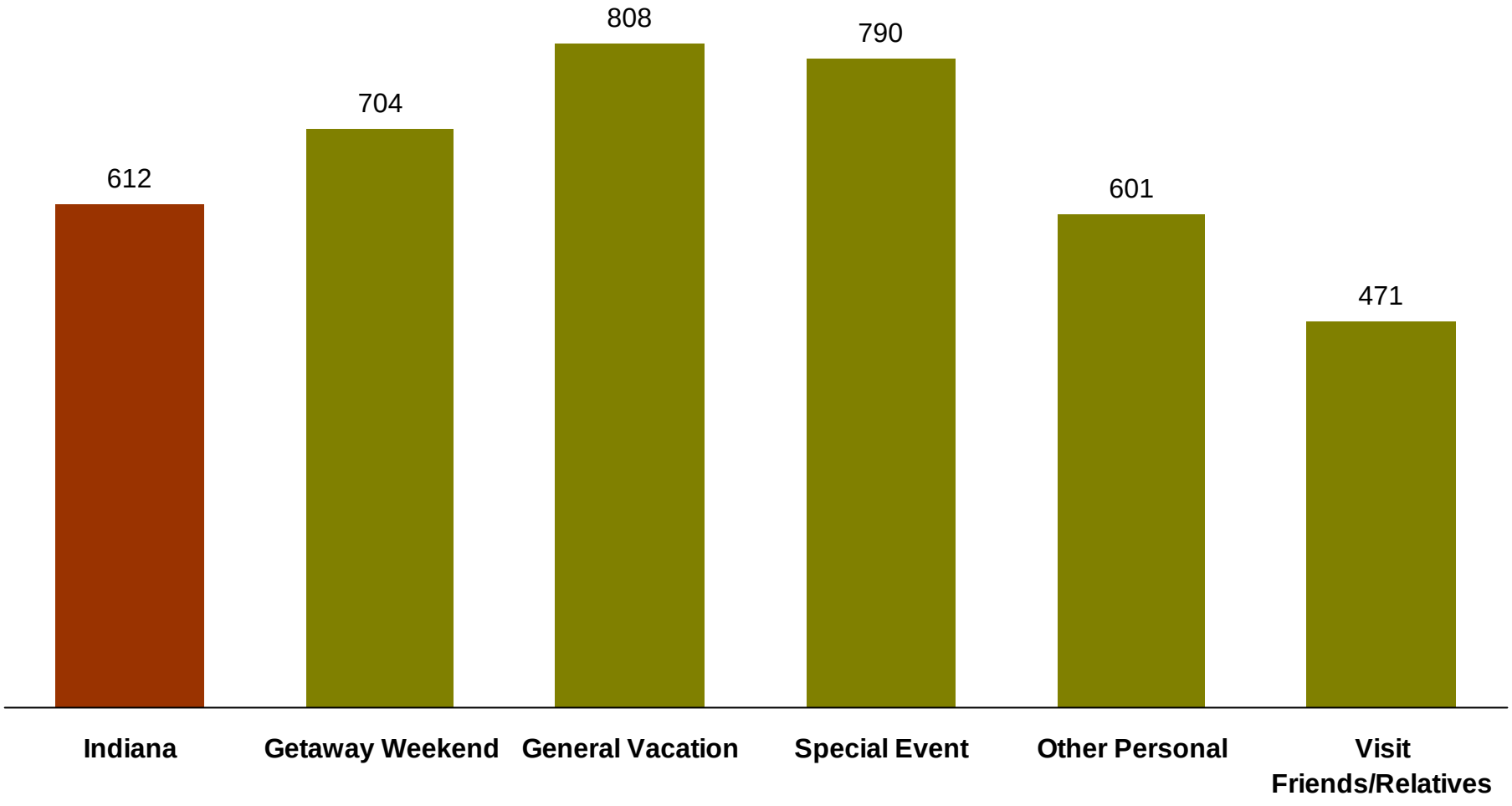
Indiana avg. Party per Stay Spending by Purpose of Stay

($ Overnight Leisure Stays in 2004 - 2006)



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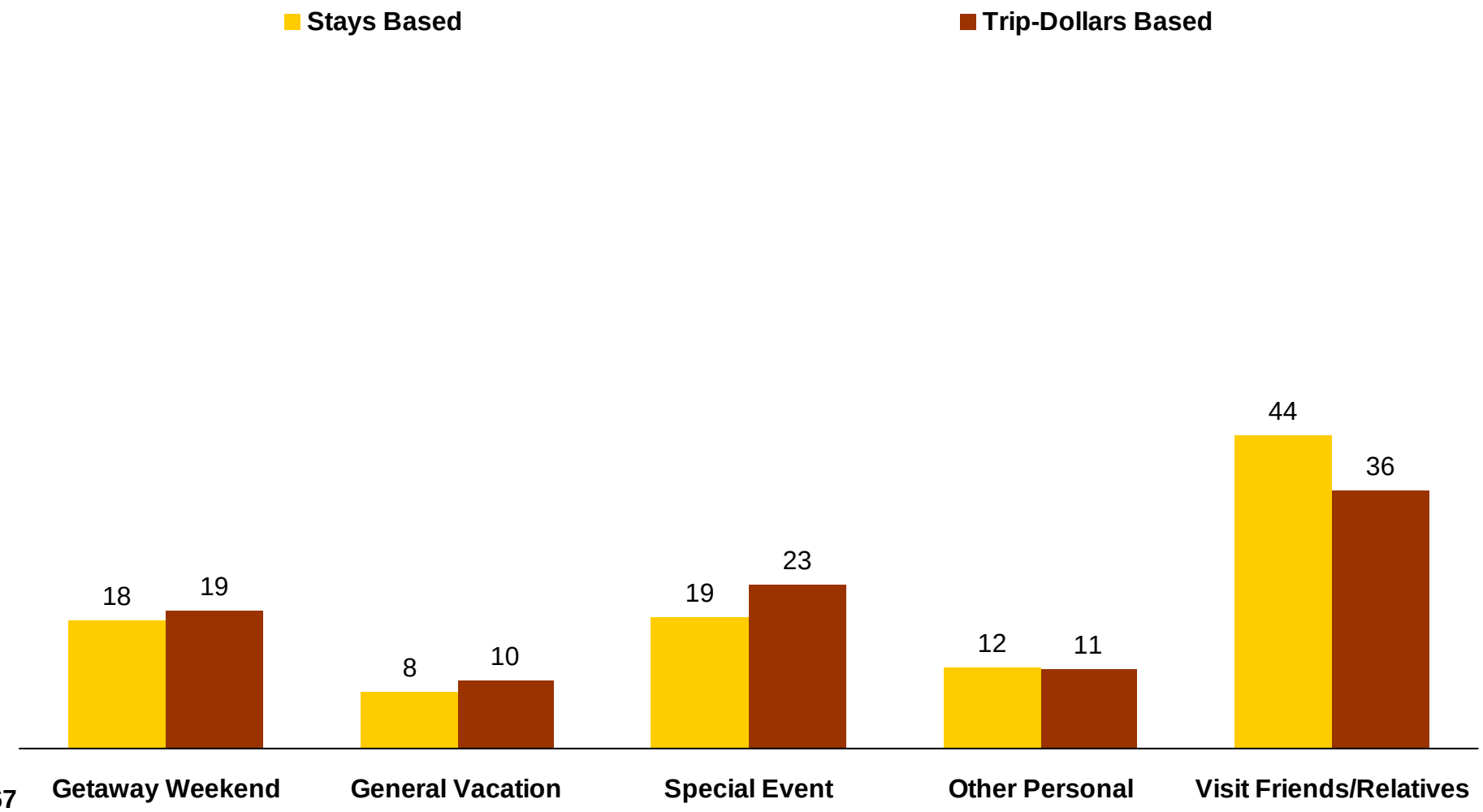
Indiana Purpose of Stay Comparison

(% of Overnight Leisure in 2004 - 2006)



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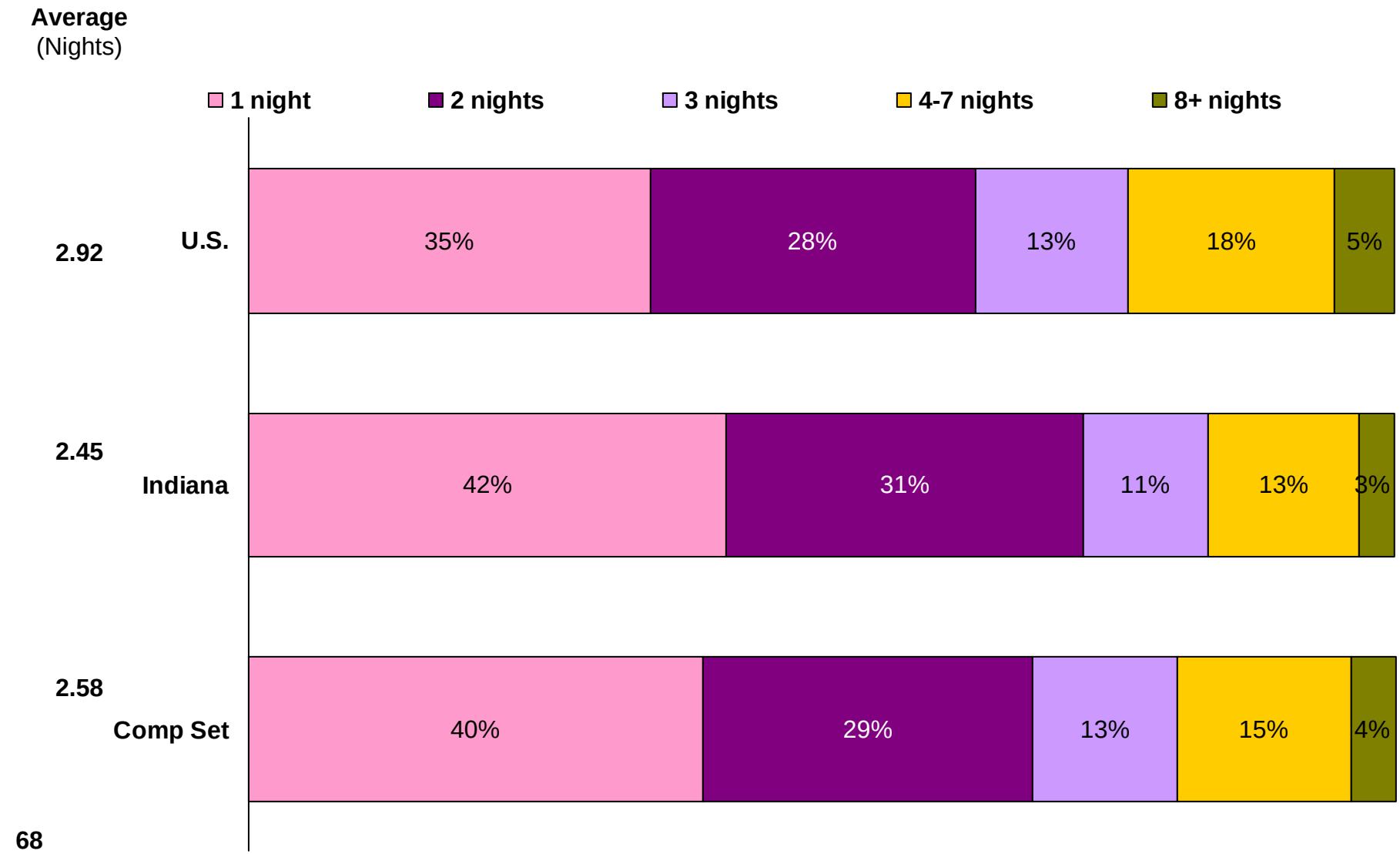
Stay Length Distribution: U.S. , Indiana and Comp Set

(% of Overnight Leisure Stays in 2006)



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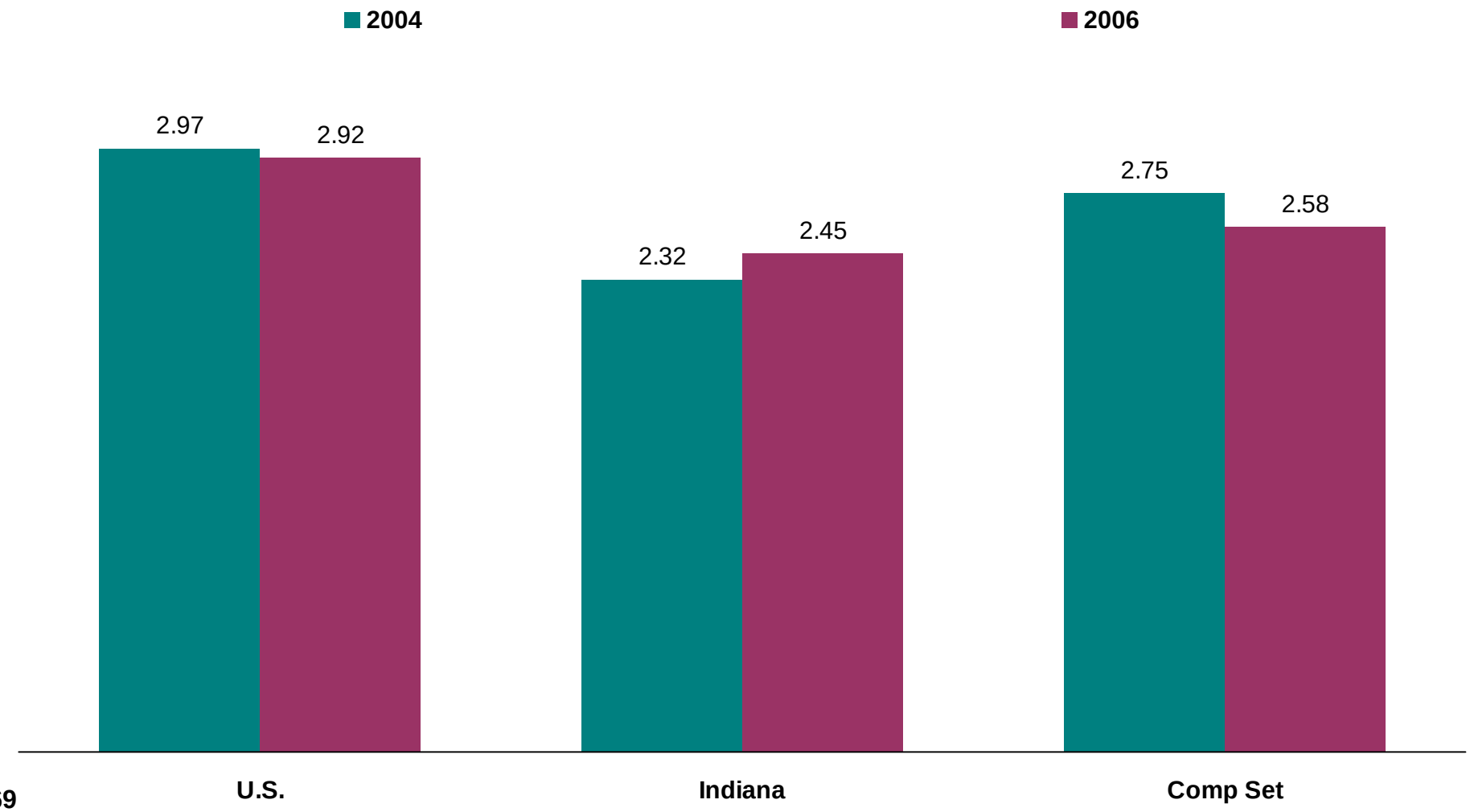
Average Length of Stay: U.S. , Indiana and Comp Set

(Overnight Leisure Stays, 1+ night)



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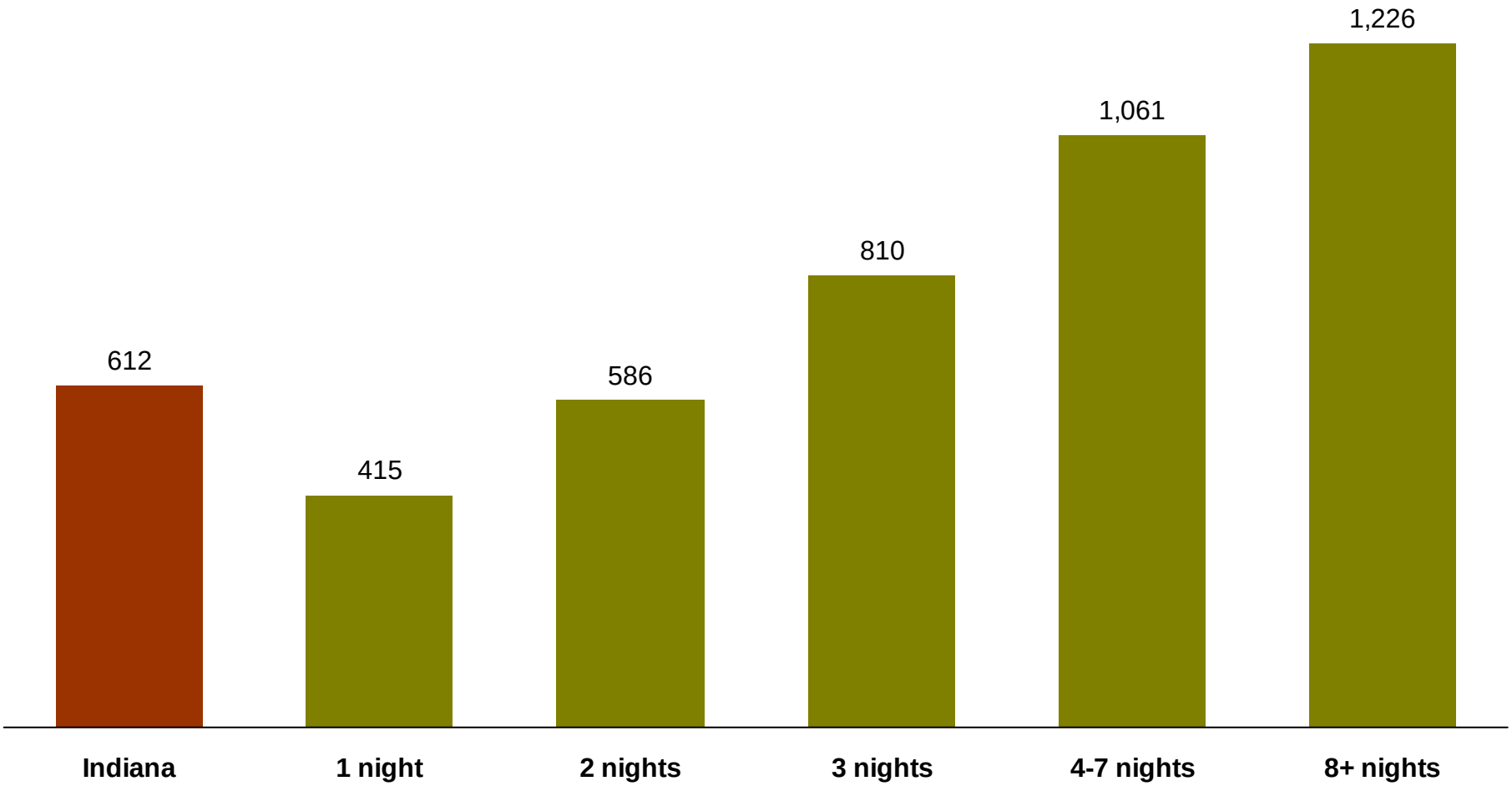
Indiana avg. Party per Stay Spending by Stay Length

($ Overnight Leisure Stays in 2004 - 2006)



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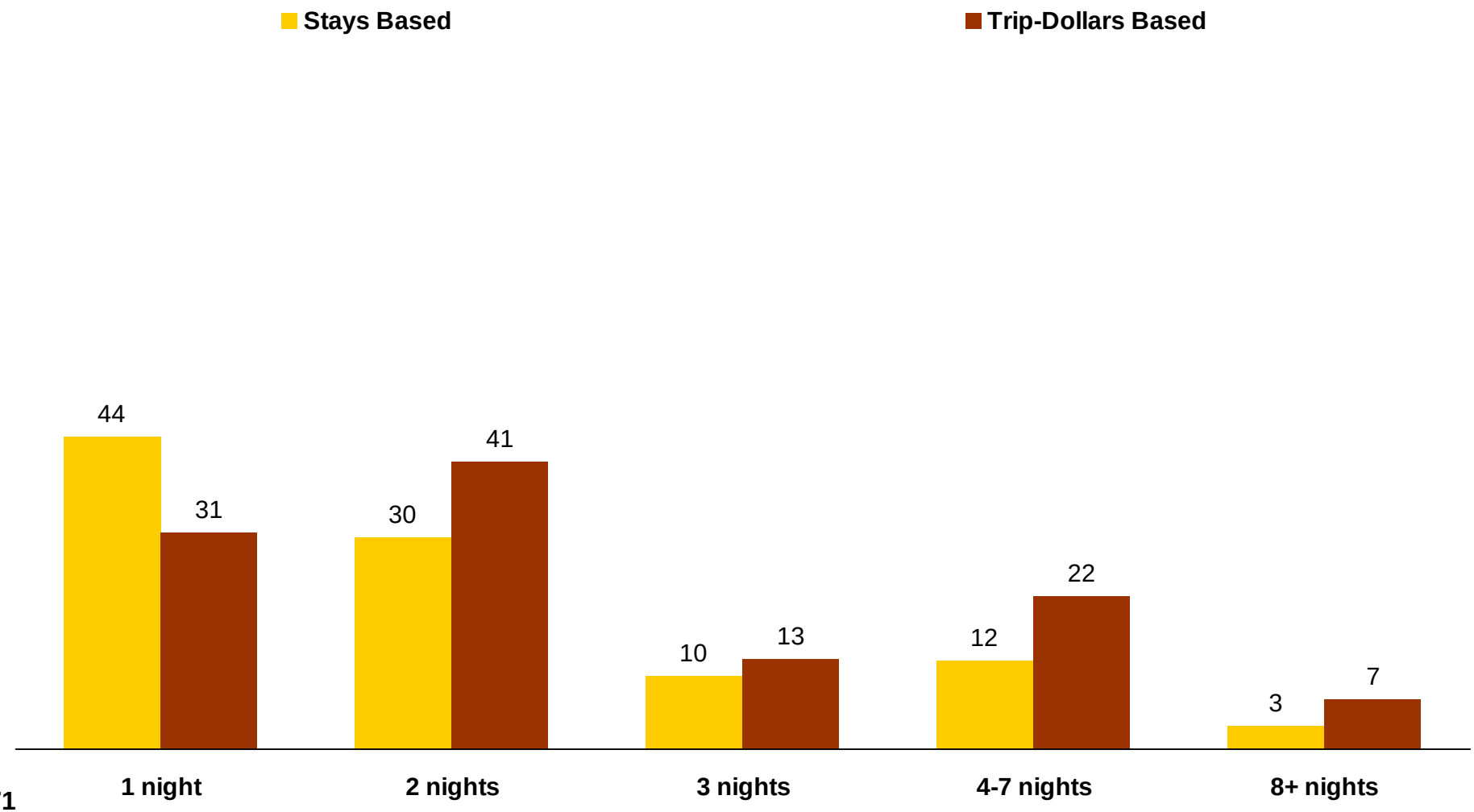
Indiana Stay Length Comparison

(% of Overnight Leisure in 2004 - 2006)



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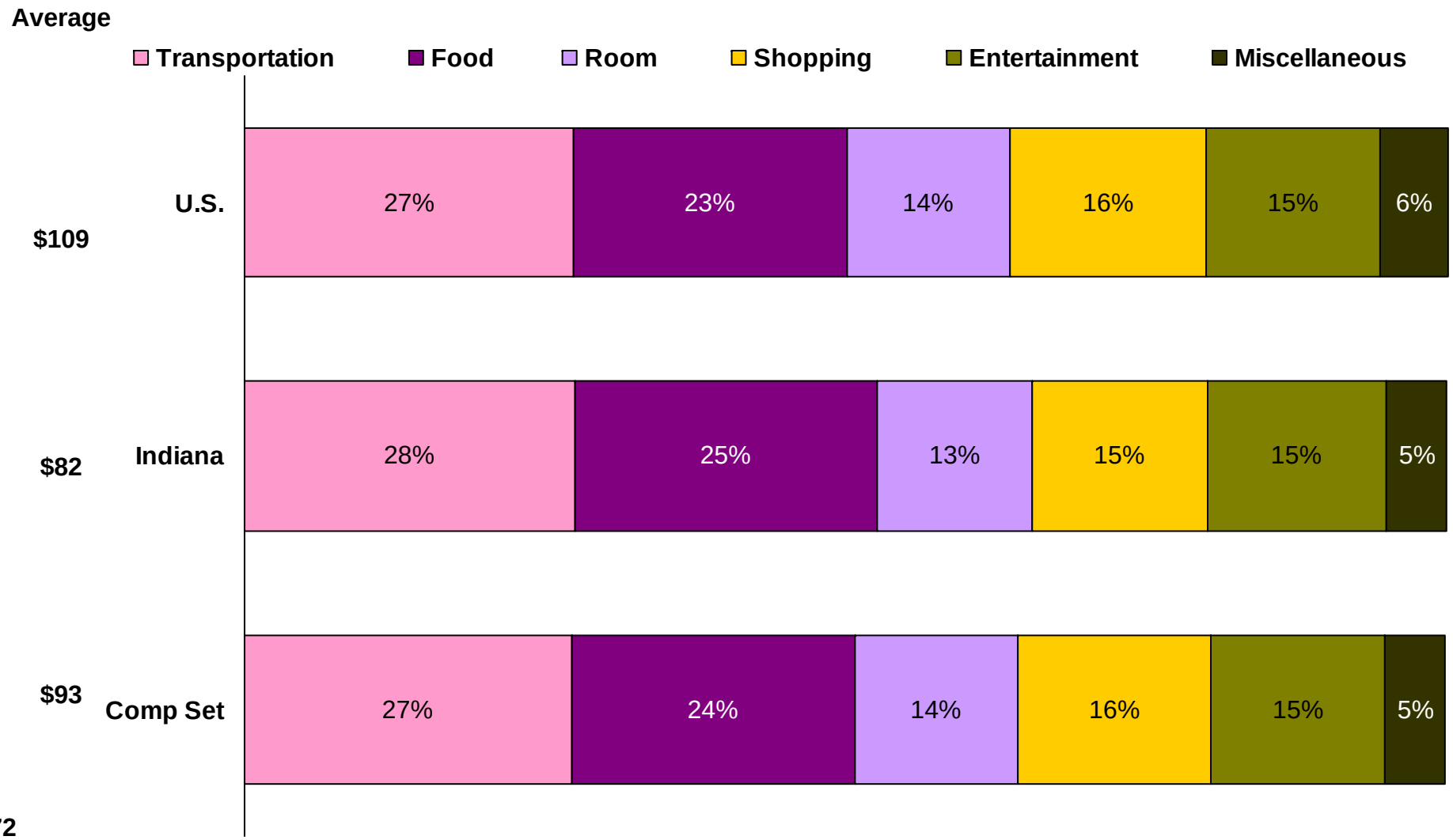
Daily Spending Per Person by Spending Category: U.S. , Indiana and Comp Set

(% of Overnight Leisure Person-Days in 2006)



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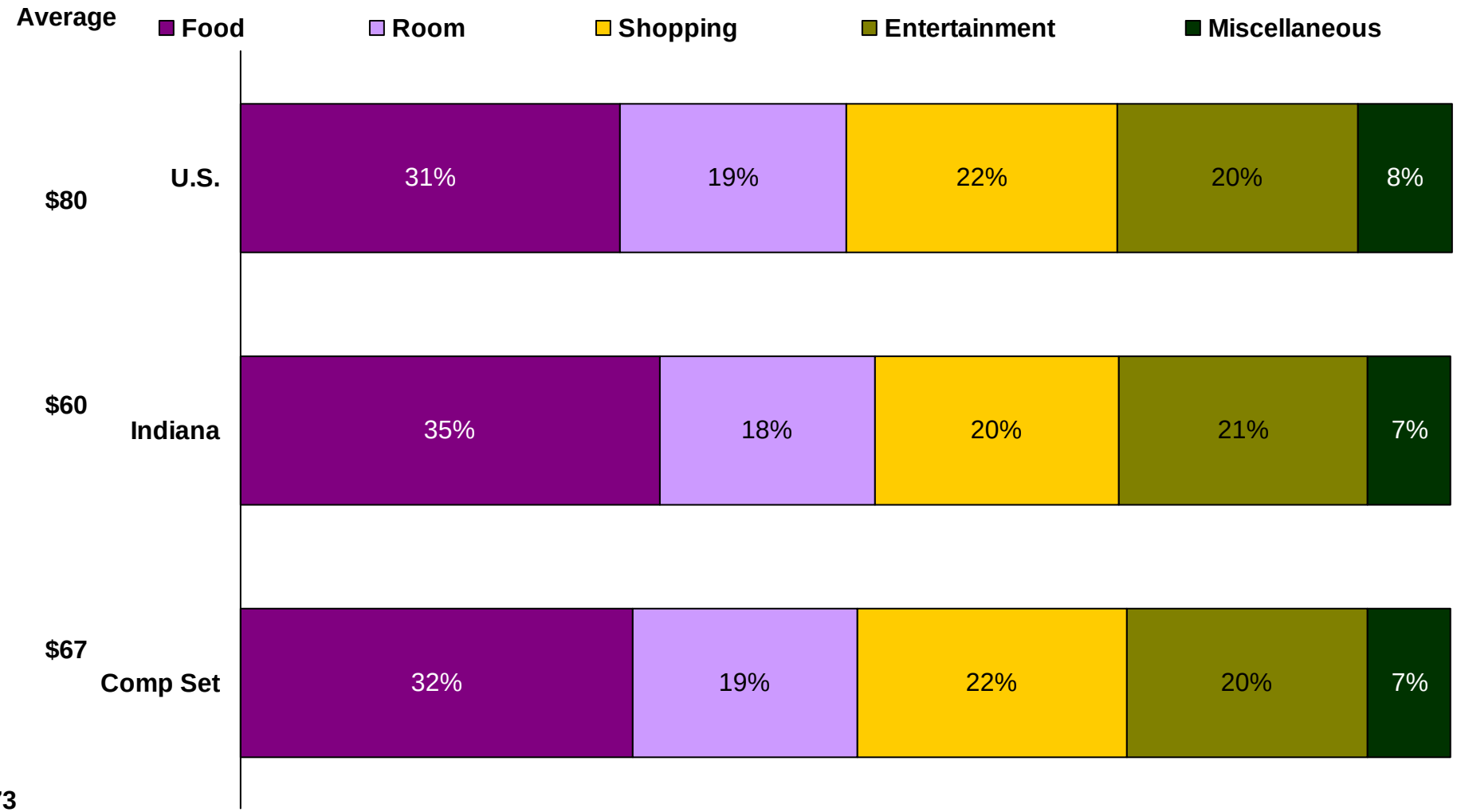
Daily Spending Per Person by Spending Category: U.S. , Indiana and Comp Set

(% of Overnight Leisure Person-Days in 2006)



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Top Activities at the Destination

(% of Overnight Leisure Stays in 2006)

The following two charts show activities in which visitors participated at the destination on the trip. Data are sorted in descending order by Indiana overnight Leisure visitors.

	U.S.	Indiana	Comp Set
Dining	31%	24%	28%
Shopping	25%	20%	22%
Entertainment	23%	17%	21%
Sightseeing	20%	15%	17%
National or State Parks	7%	8%	6%
Watch Sports	4%	**8%**	5%
Gamble	8%	8%	5%
Hike, Bike	4%	**7%**	2%
Museum, Art Exhibit	5%	6%	6%
Night Life	9%	5%	8%

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Top Activities at the Destination *(cont.)*

(% of Overnight Leisure Stays in 2006)

The remaining activities are enjoyed by a small proportion of Indiana visitors

	U.S.	Indiana	Comp Set
Camping	4%	5%	5%
Nature, Eco-Travel	3%	4%	3%
Hunt, Fish	4%	3%	4%
Festival, Craft Fair	4%	3%	4%
Theme Park, Amusement Park	5%	3%	4%
Other Adventure Sports	2%	3%	2%
Visit Historic Site	6%	3%	5%
Concert, Play, Dance	5%	3%	6%
Beach, Waterfront	8%	3%	4%
Group Tour	3%	3%	3%
Look at Real Estate	3%	1%	2%
Shows (auto, boat, antique, etc.)	1%	1%	1%
Boat, Sail	2%	1%	2%
Golf	2%	0%	2%
Snow Ski	1%	0%	1%

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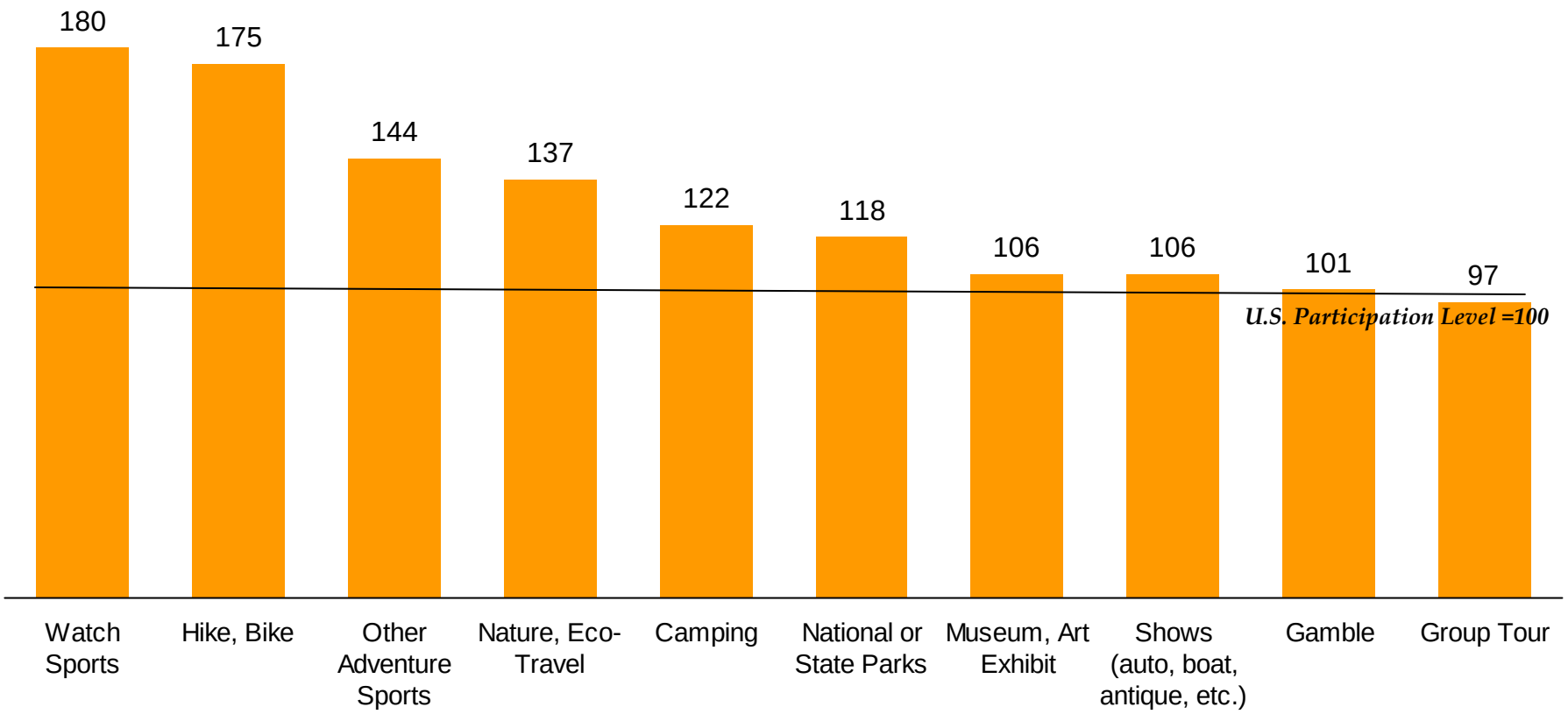
Indiana Activity Index

(U.S. Participation Level = 100)
(Overnight Leisure Stays in 2006)

The activity index uses the U.S. participation level of a given activity to establish the average at 100. Any value higher than the indexed National average represents an activity that Indiana's Leisure travelers participate in at a greater degree than the typical U.S. traveler. This index does not represent the share of participation in a given activity, but rather it shows the tendency of the typical Indiana Leisure visitor to participate in an activity relative to the average U.S. destination.



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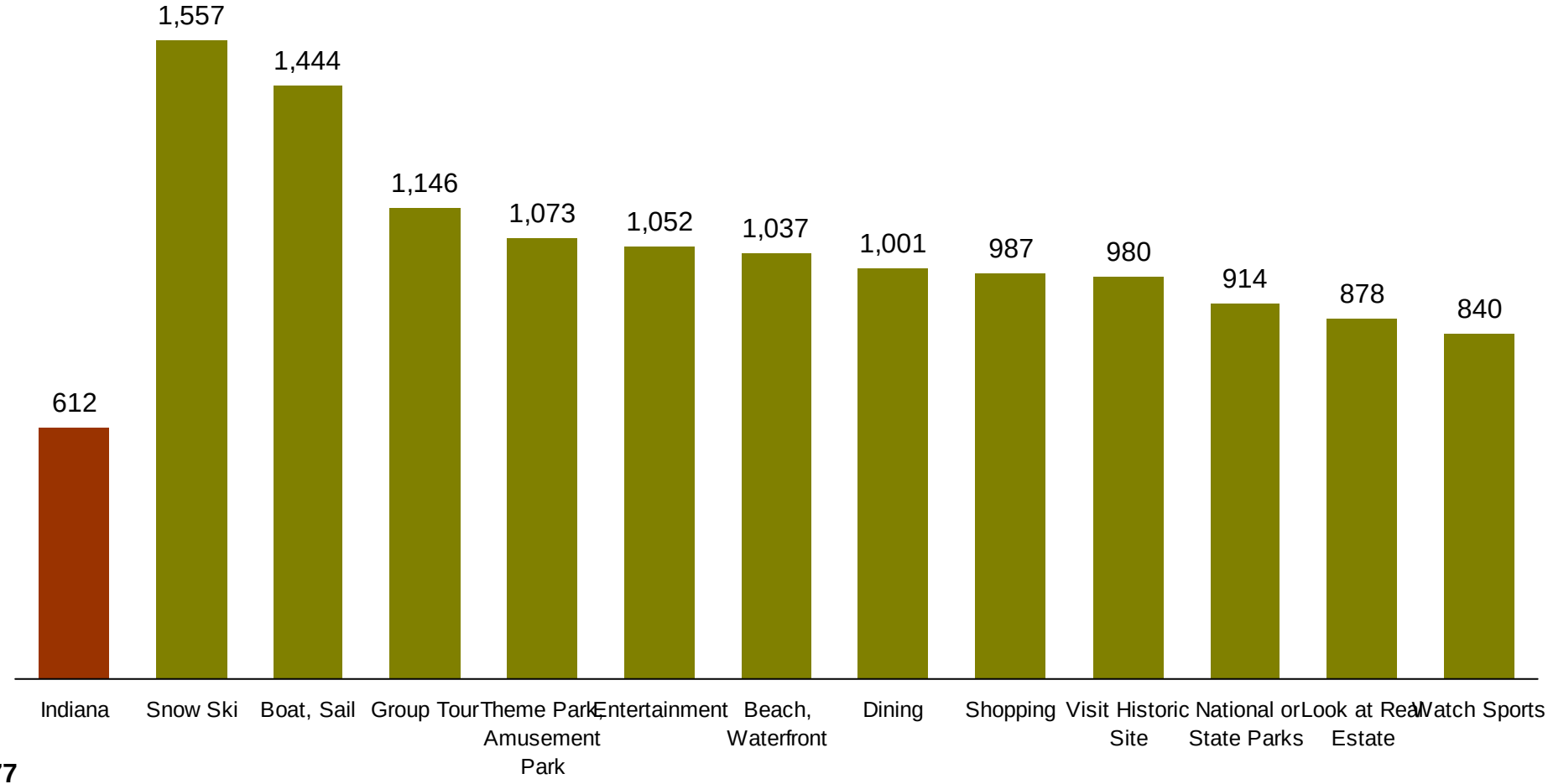
Indiana avg. Party per Stay Spending by Activities

($ Overnight Leisure Stays in 2004 - 2006)



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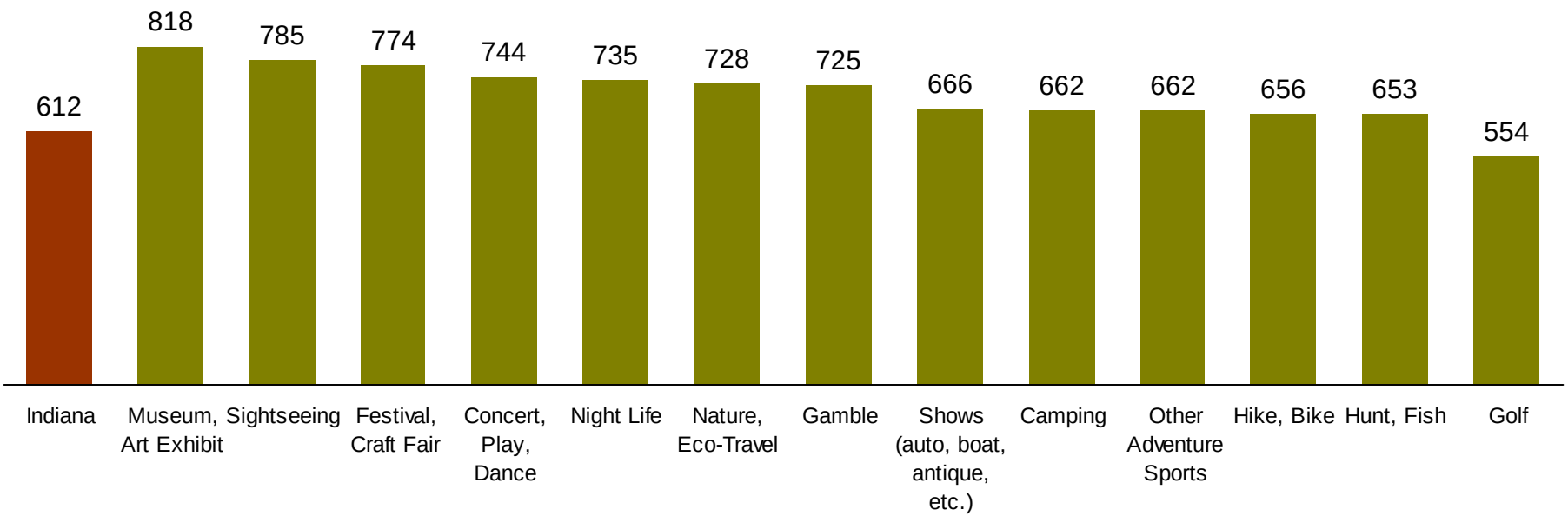
Indiana avg. Party per Stay Spending by Activities (cont.)

($ Overnight Leisure Stays in 2004 - 2006)



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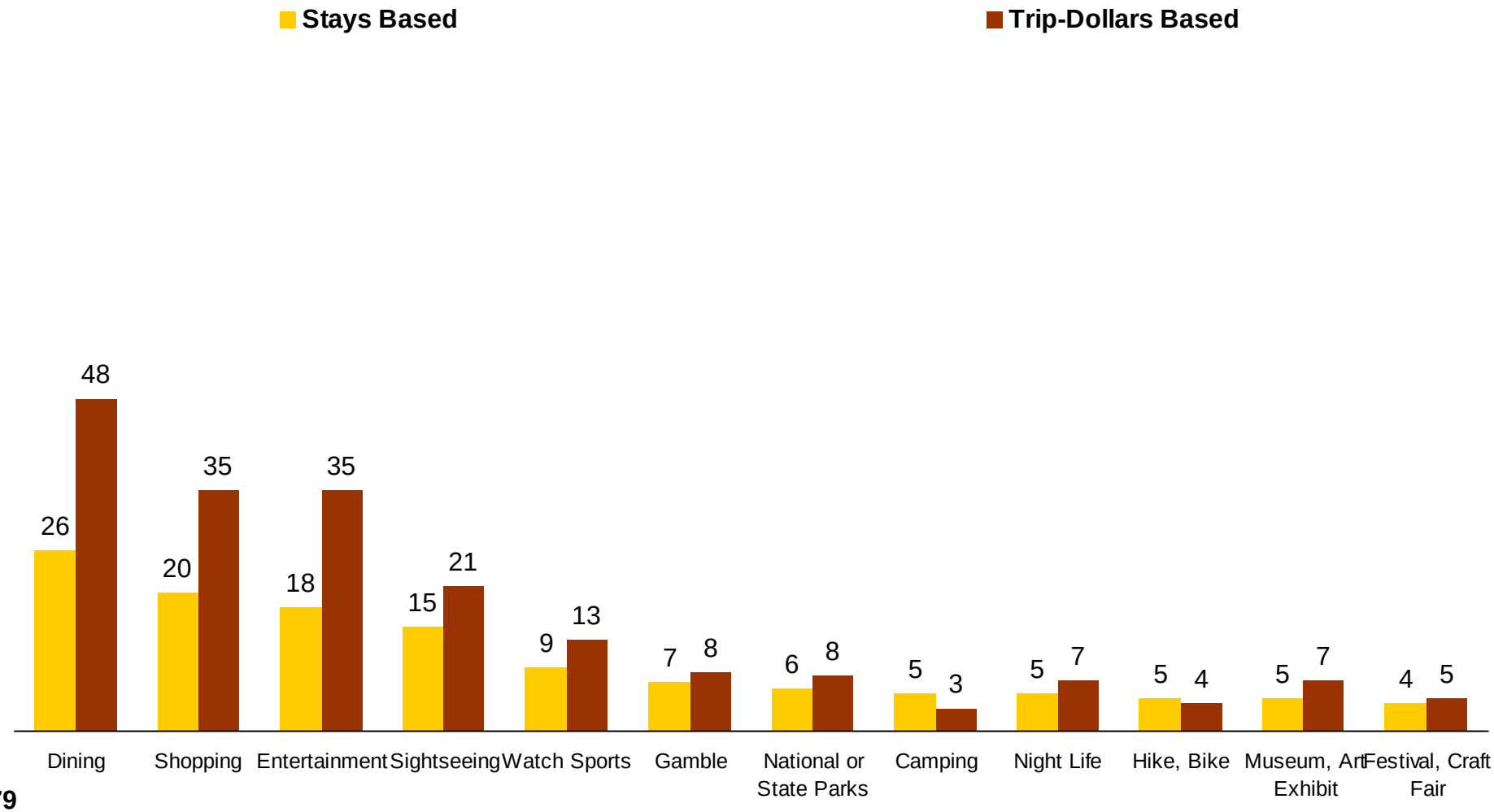
Indiana Activity Comparison

(% of Overnight Leisure in 2004 - 2006)



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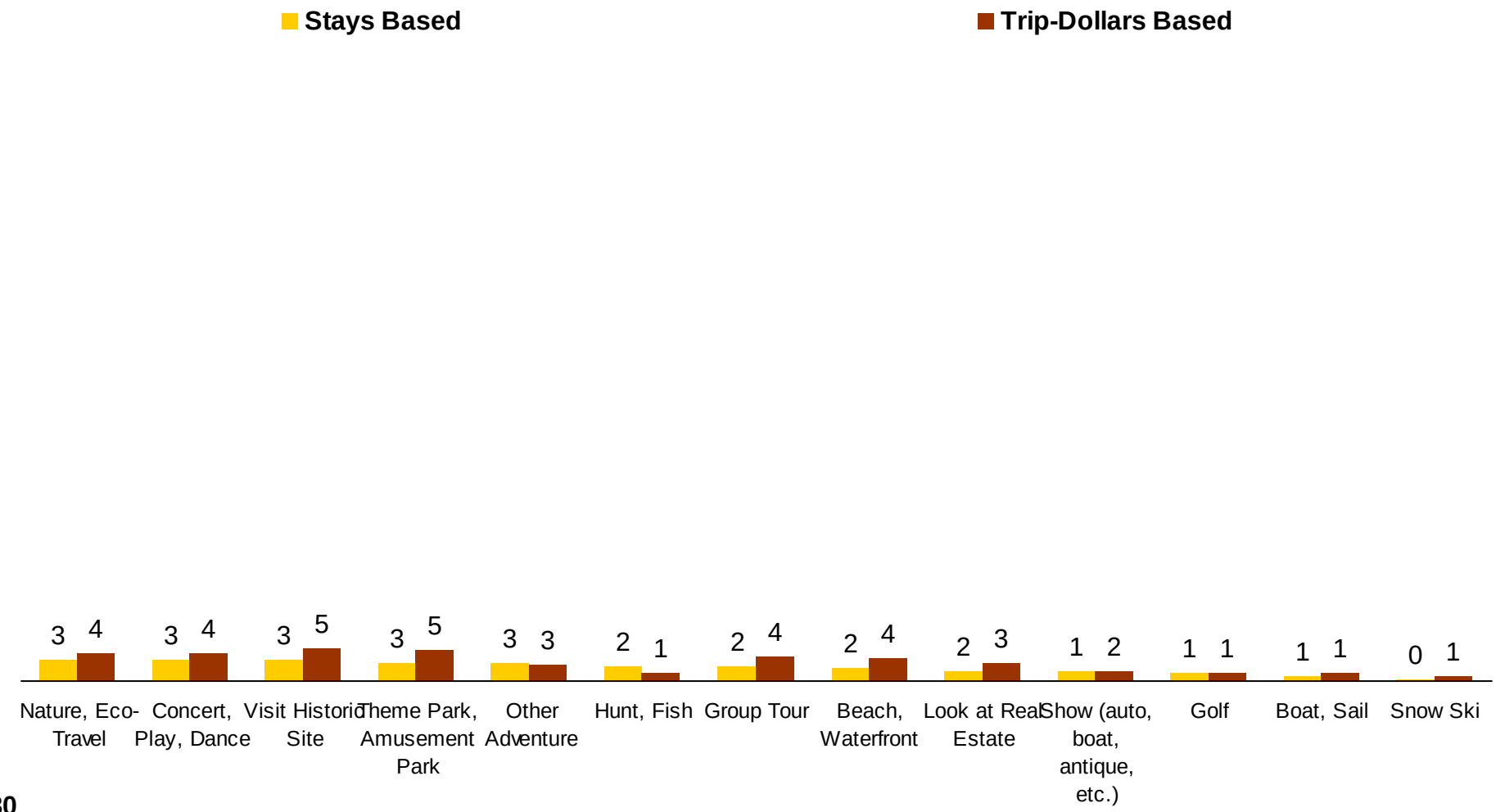
Indiana Activity Comparison (cont.)
(% of Overnight Leisure in 2004 - 2006)



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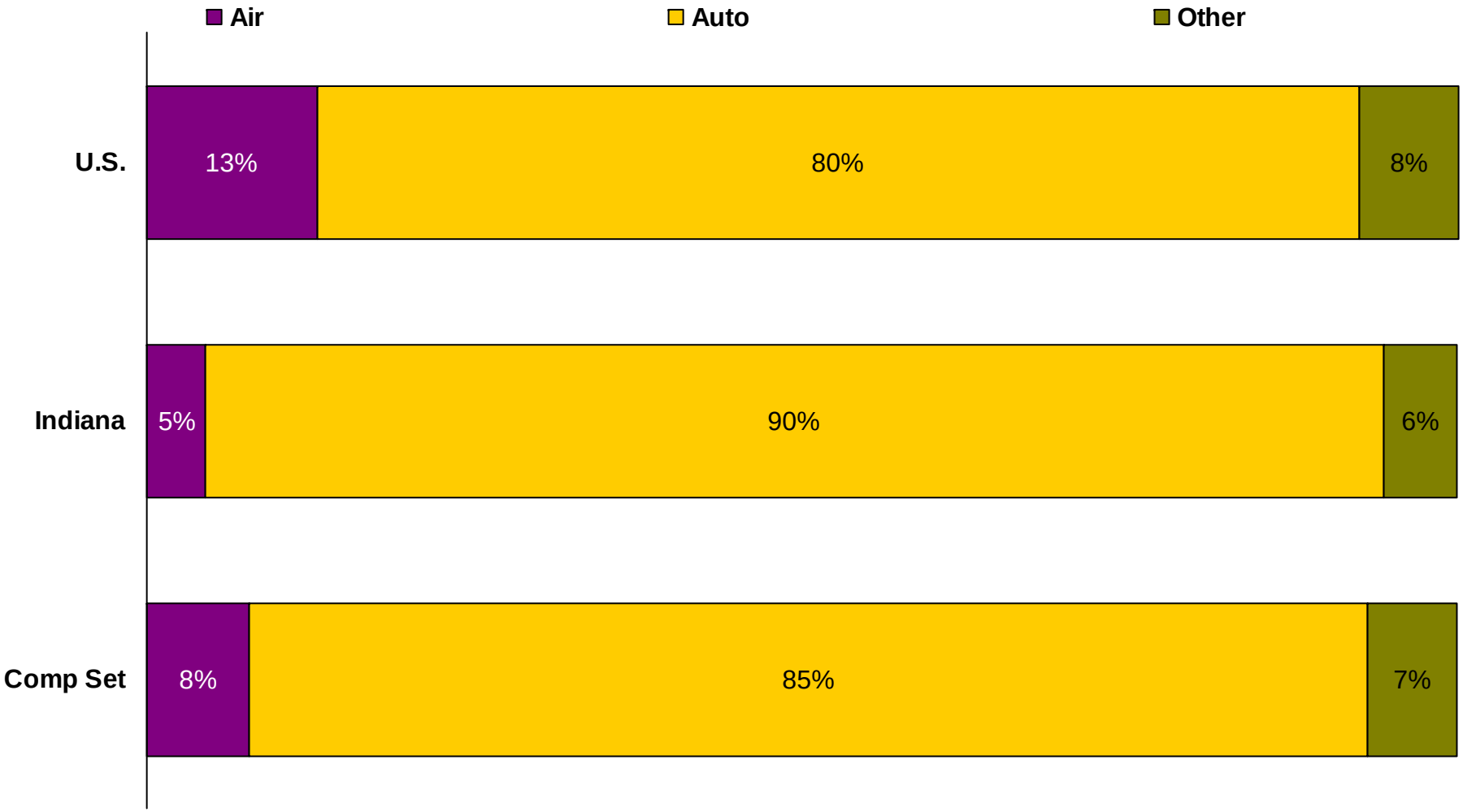
Main Mode of Transportation: U.S. , Indiana and Comp Set

(% of Overnight Leisure Person-Stays in 2006)



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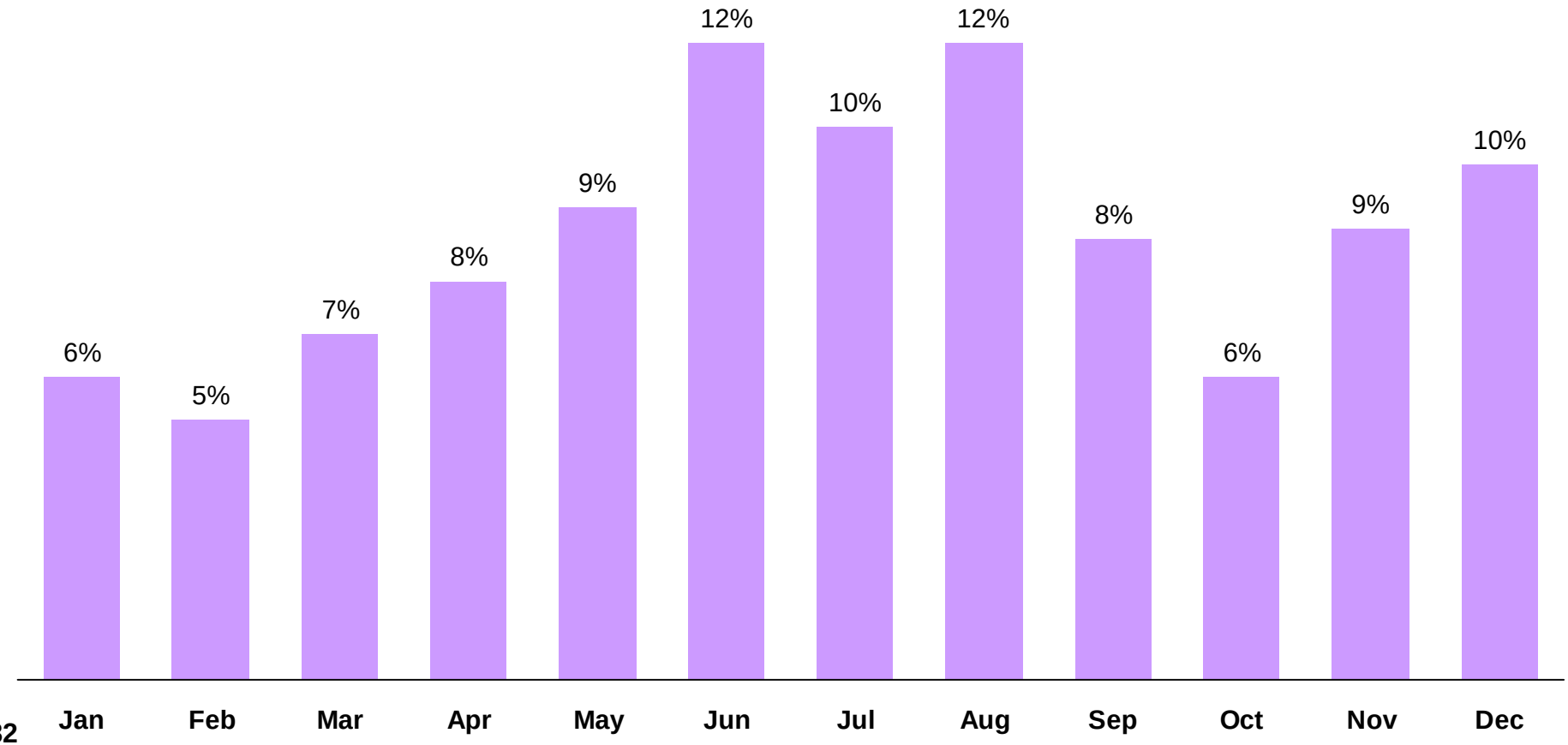
Indiana Month Trip Started
(% of Overnight Leisure Person-Stays in 2006)

*Exceeds 100% due to rounding



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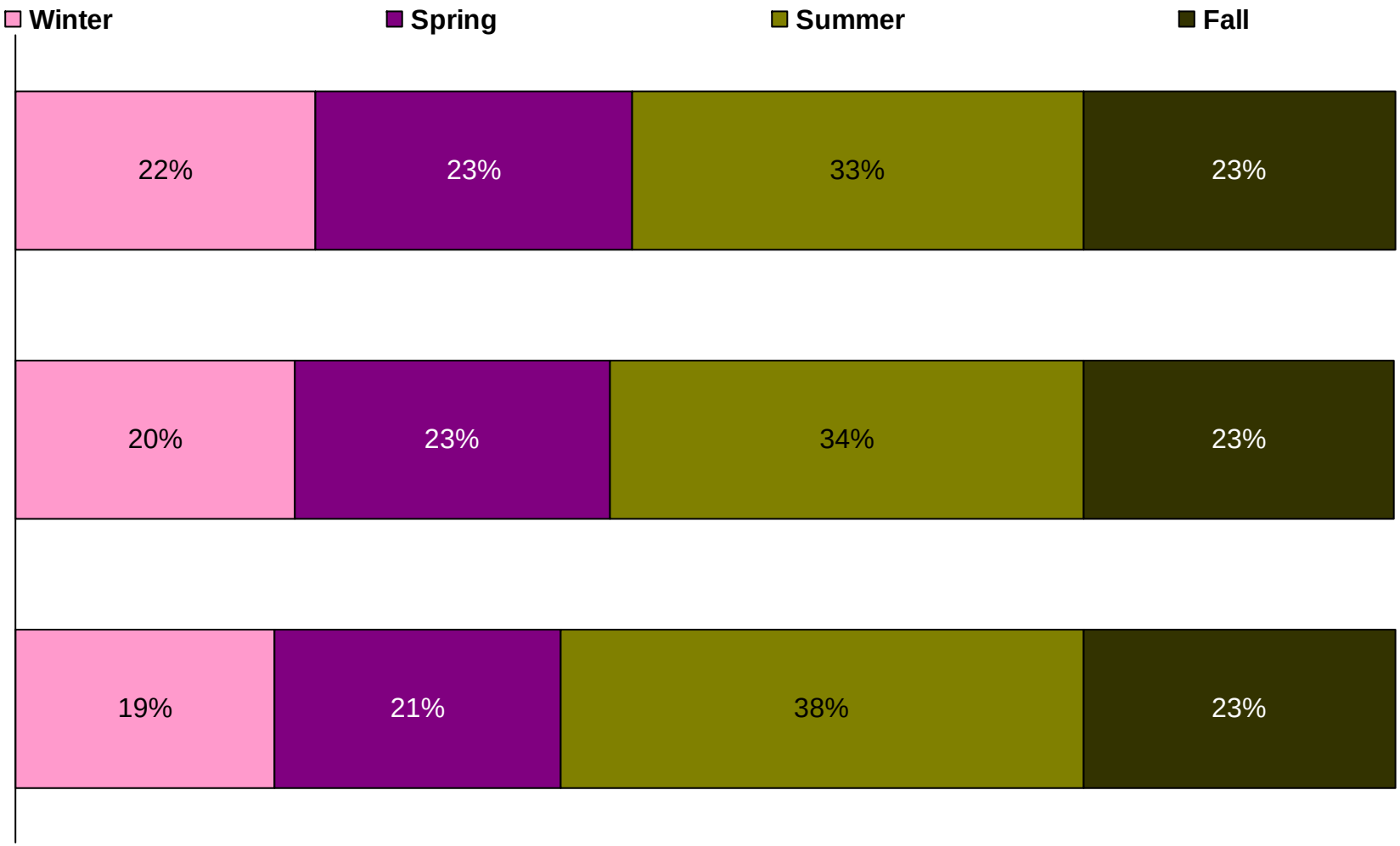
Trip Timing by Season: U.S. , Indiana and Comp Set

(% of Overnight Leisure Person-Stays in 2006)



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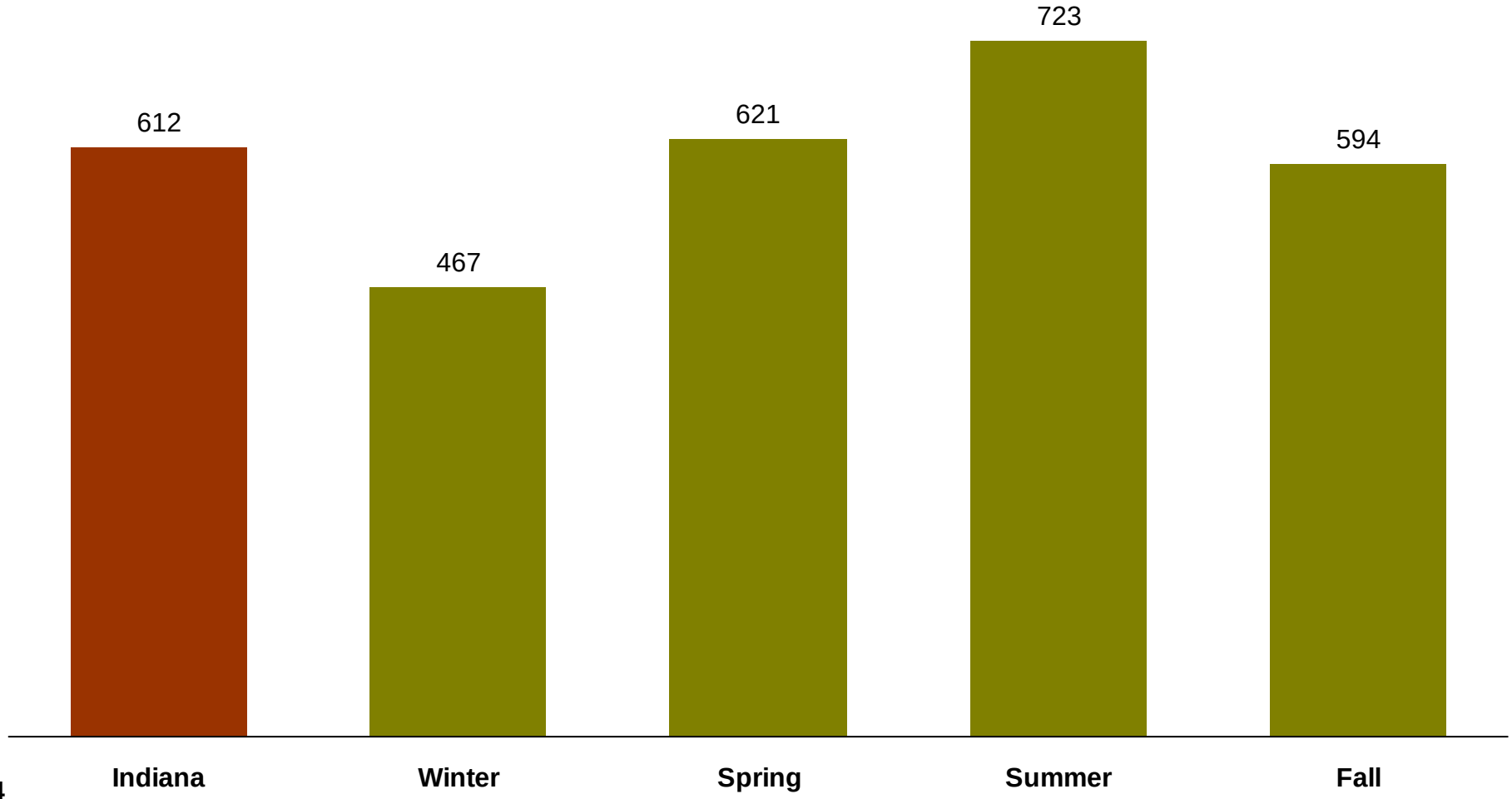
Indiana avg. Party per Stay Spending by Season

($ Overnight Leisure Stays in 2004 - 2006)



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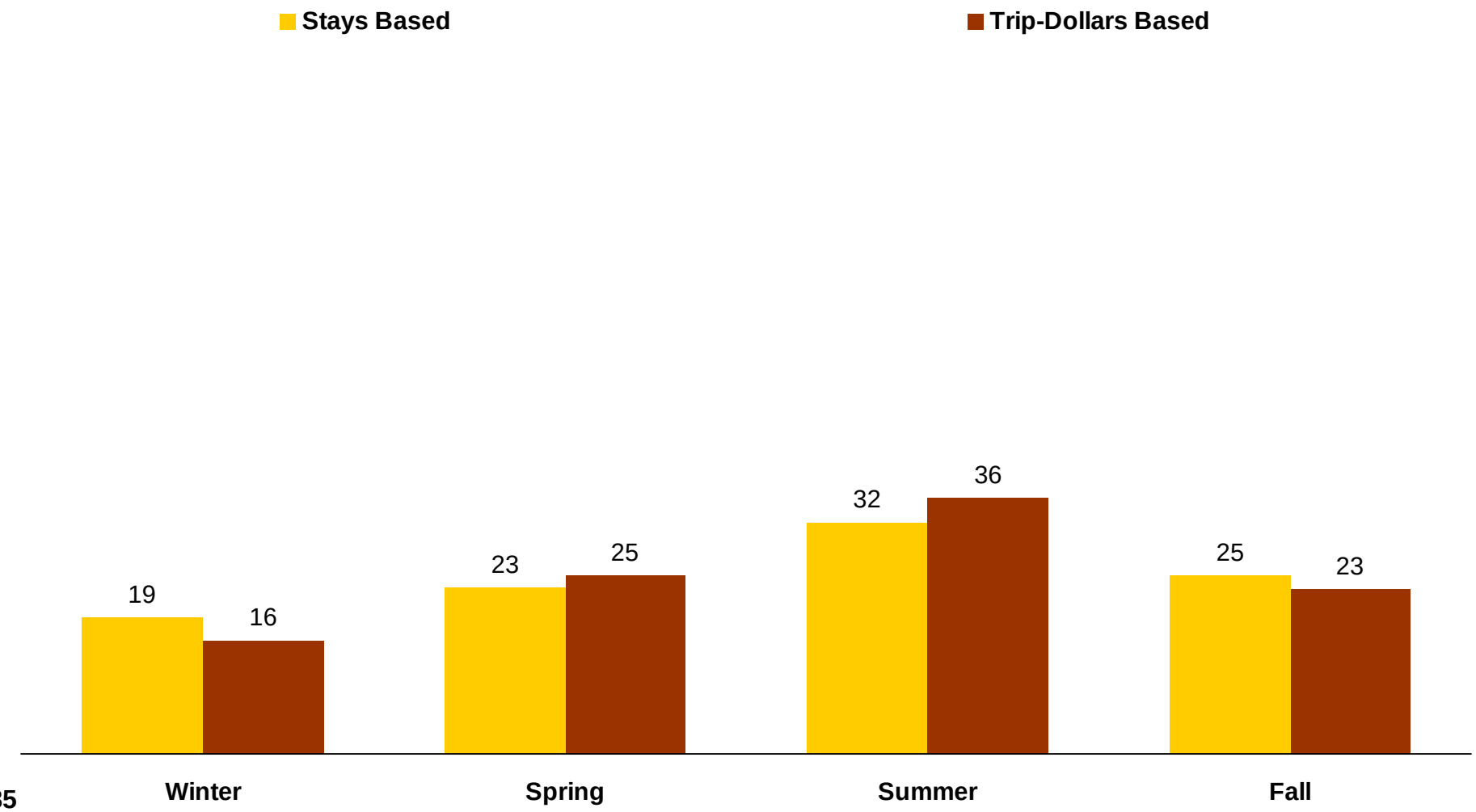
Indiana Trip Timing Comparison by Season

(% of Overnight Leisure in 2004 - 2006)



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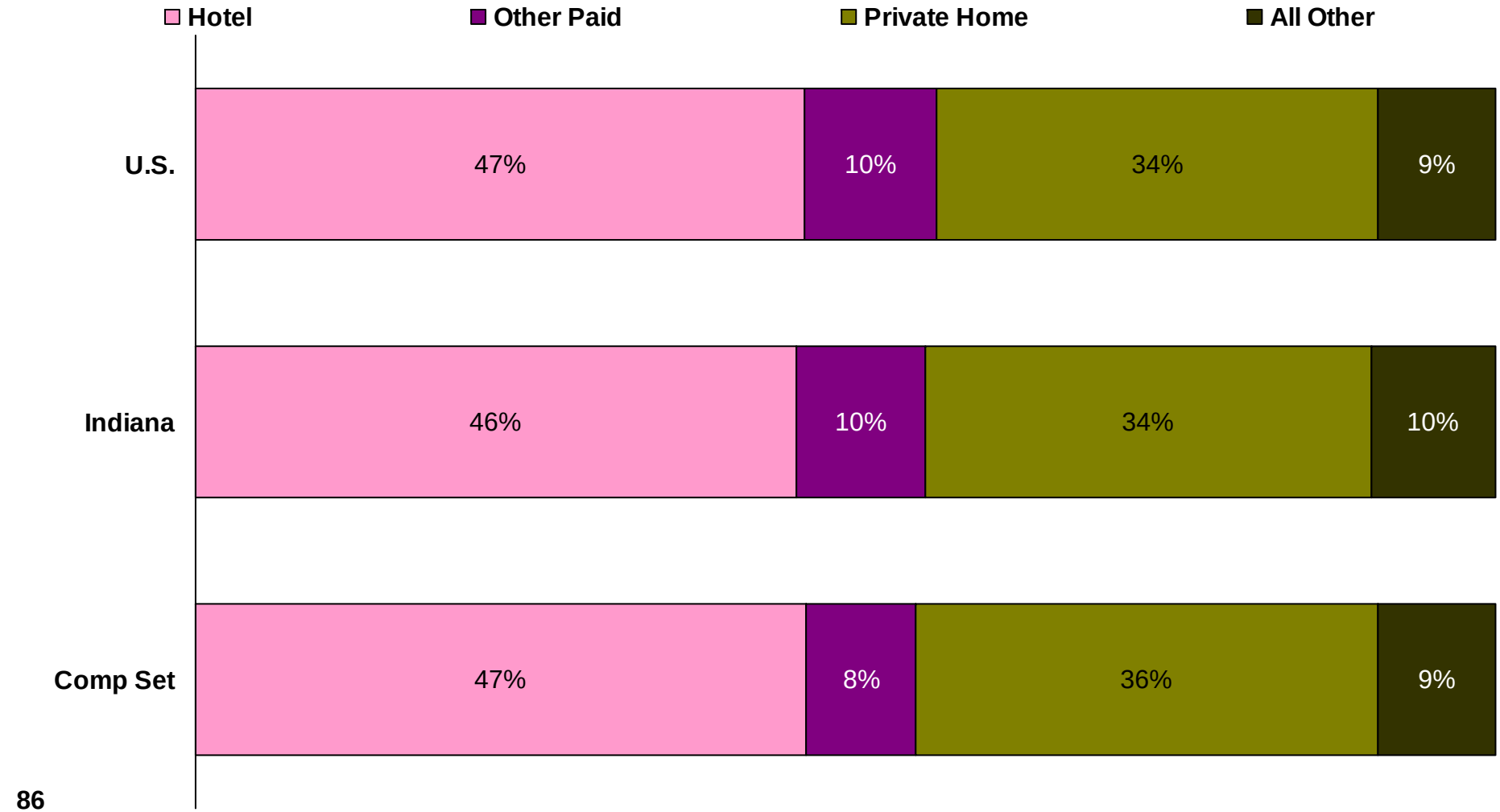
Accommodations Type: U.S. , Indiana and Comp Set

(% of Overnight Leisure Person-Stays in 2006)



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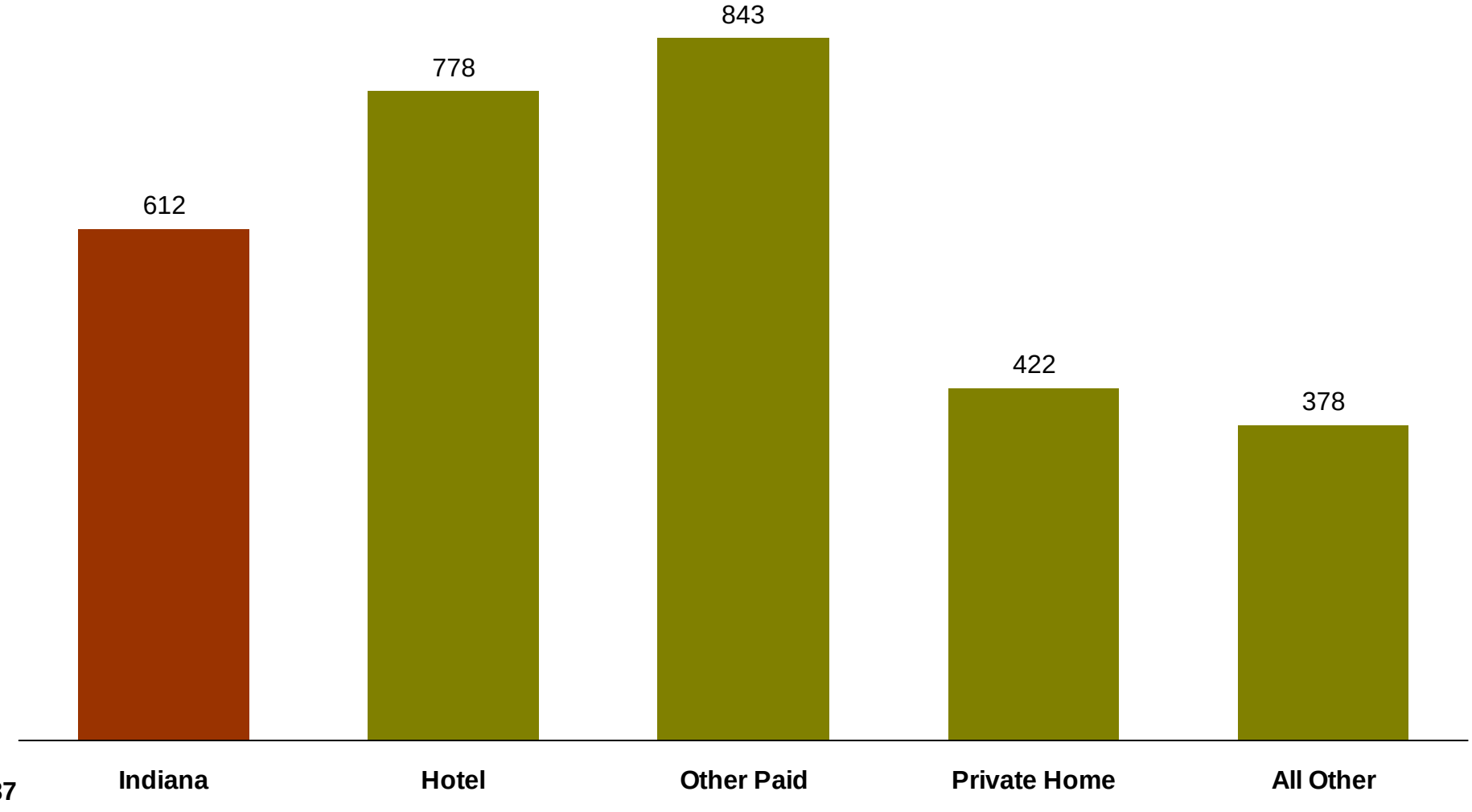
Indiana avg. Party per Stay Spending by Accommodations Type

($ Overnight Leisure Stays in 2004 - 2006)



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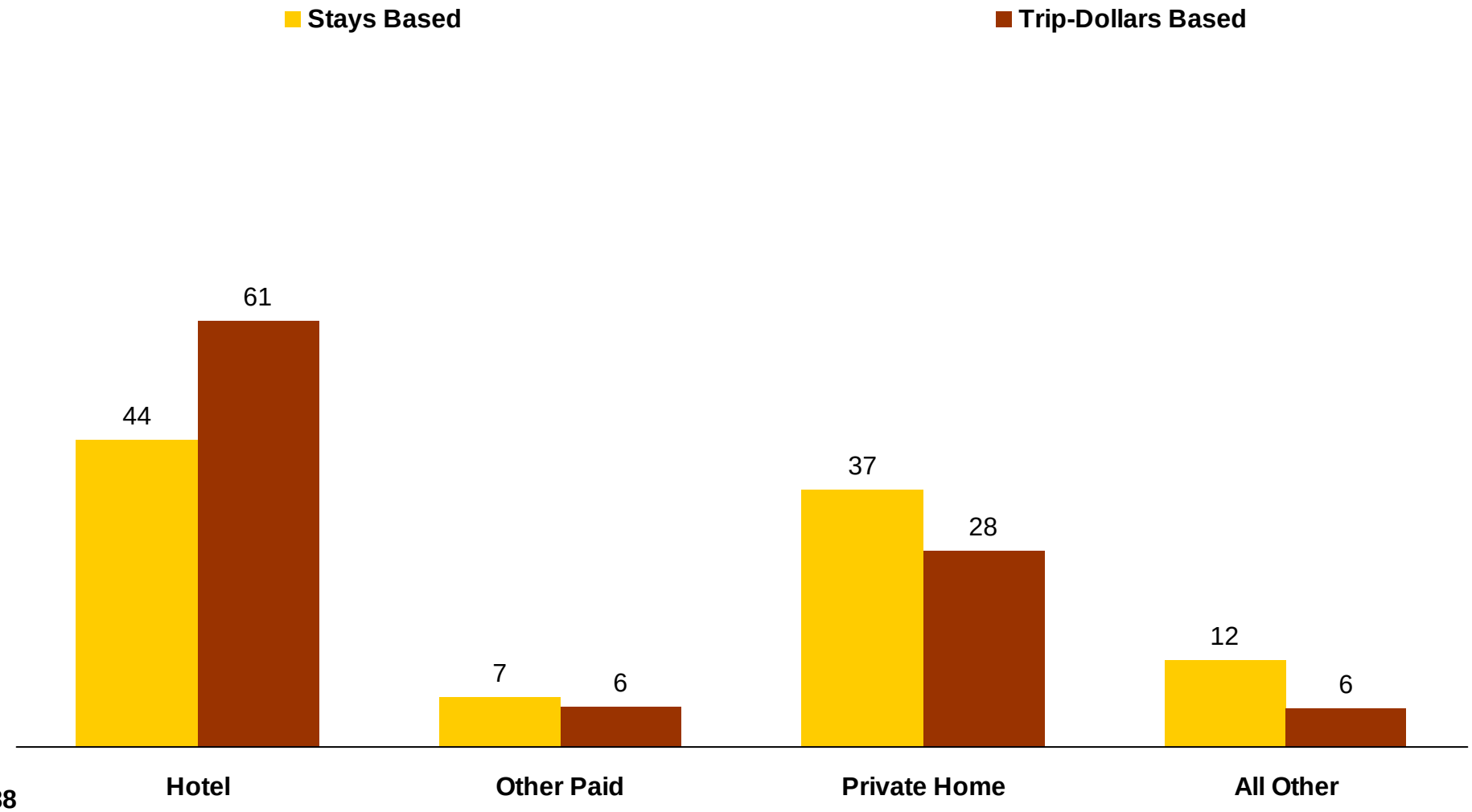
Indiana Accommodations Type Comparison

(% of Overnight Leisure in 2004 - 2006)



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Communicating Intelligence Overview

Focusing on Key Markets: The Originating Market of Indiana's ONL travel

- Almost three-fourths of Indiana's ONL visitors come from the U.S. Census East North Central Region, which includes Indiana itself. It is notable, then, that while Indianans comprise 36% of the State's ONL in 2006, Indiana gets more – at 41.3% – ONL visitation from neighboring states.

- At 7%, the South Atlantic Region provides the second-most number of ONL travelers to Indiana, followed by the East South Central Region which accounts for 5.7% of the State's 2006 visitors.

- Illinois and Ohio each supply about 13% of Indiana's 2006 ONL visitors, followed by Michigan at approximately 10%.

- Representing 43% of all ONL travel from the combined travel years of 2004 through 2006, Indiana's top five visitor origin DMA are Indianapolis (15.9%), Chicago (10.6%), Fort Wayne (6.6%), South Bend (5.0%), and Cincinnati (4.8%). These same DMAs collectively contribute 35% of all Leisure Trip-Dollar spending during the same time period.

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Communicating Intelligence Overview *(cont.)*

Travel Distance by Automobile

Indiana is a popular destination to reach by auto and already attracts more visitors in cars than the average U.S. ONL destination.

- At 36%, visitors traveling 101-200 miles represent the greatest portion, of Indiana's ONL auto travelers, while nearly 8 in 10 of all auto travelers visiting The Hoosier State for ONL travel 300 miles or less.
- Indiana has the largest share of visitors traveling 300 miles or less by auto among both the U.S. average destination and each of the states that comprise the Competitive Set.

Travel Distance by Air

Comparatively few Indiana ONL visitors arrive by air.

- At 34%, Indiana has a lowest share of air travelers flying more than 1,000 miles amongst any of the competitor states.
- Indiana garners the highest share of travelers who fly into The Hoosier State flying a distance of less than 1,000 miles.

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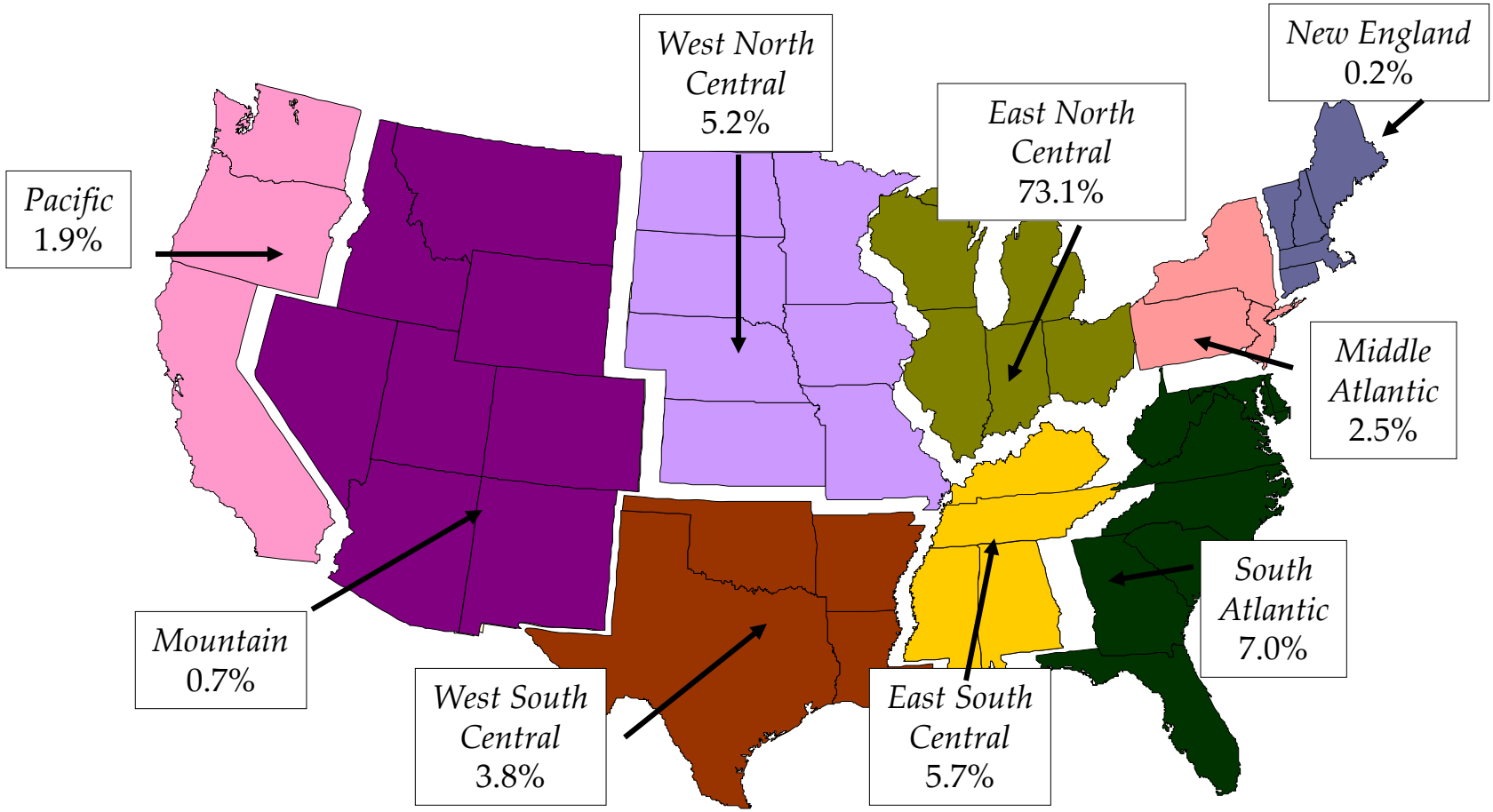
Top Origin Regions for Travel to Indiana

(% of Overnight Leisure Person-Stays in 2006)

The U.S. Bureau of Census groups states into nine regions. Nearly three-quarters of Indiana overnight Leisure visitors live in the East North Central Region (73.1%).



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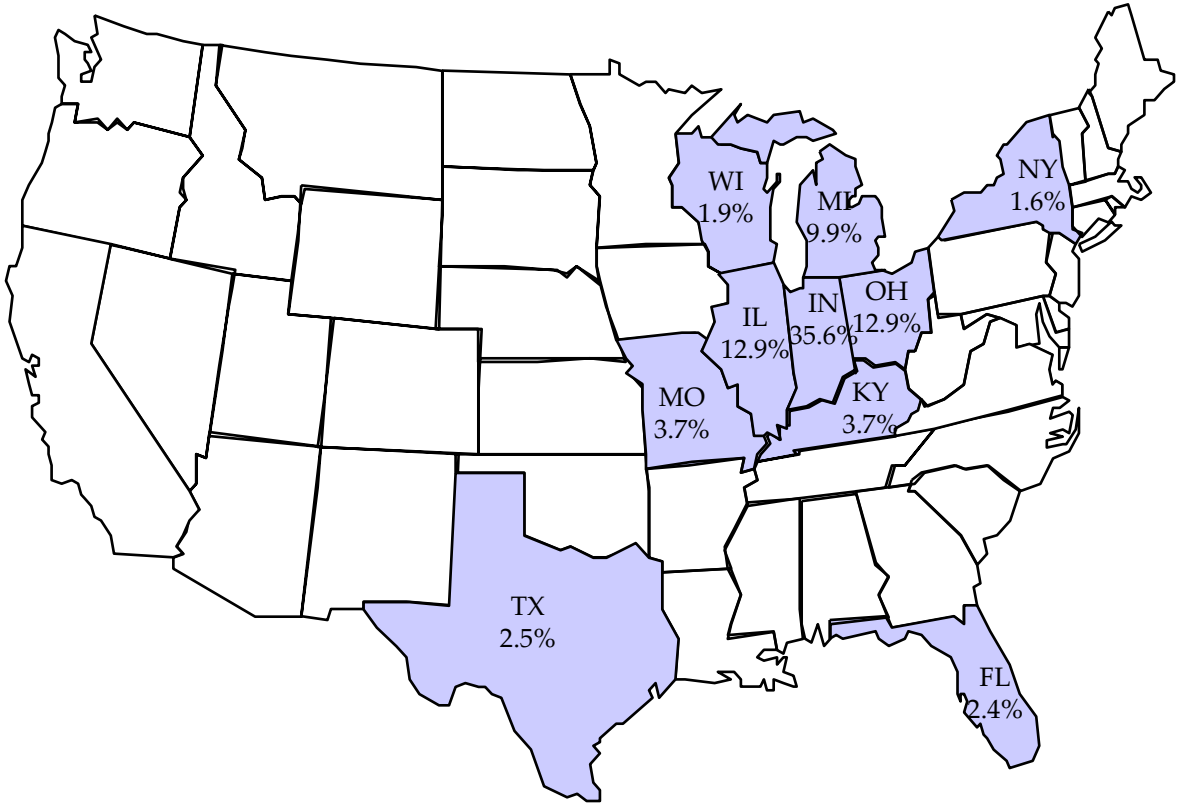
Indiana Top Origin States
(% of Overnight Leisure Person-Stays in 2006)

More than one-third of Indiana overnight Leisure visitors come from Indiana (35.6%). The top ten states produce 87.1% of Indiana visitors.



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Indiana Top Origin DMAs

(% of Overnight Leisure Person-Stays in 2004 - 2006)

The top five markets account for 42.9% of all Indiana overnight Leisure visitors. Markets are sorted in descending order by Indiana's top markets.

	U.S.	Indiana	Comp Set
Indianapolis, IN	0.8%	15.9%	1.8%
Chicago, IL	2.9%	10.6%	8.9%
Fort Wayne, IN	0.3%	6.6%	0.6%
South Bend-Elkhart, IN	0.4%	5.0%	1.1%
Cincinnati, OH	0.8%	4.8%	2.9%

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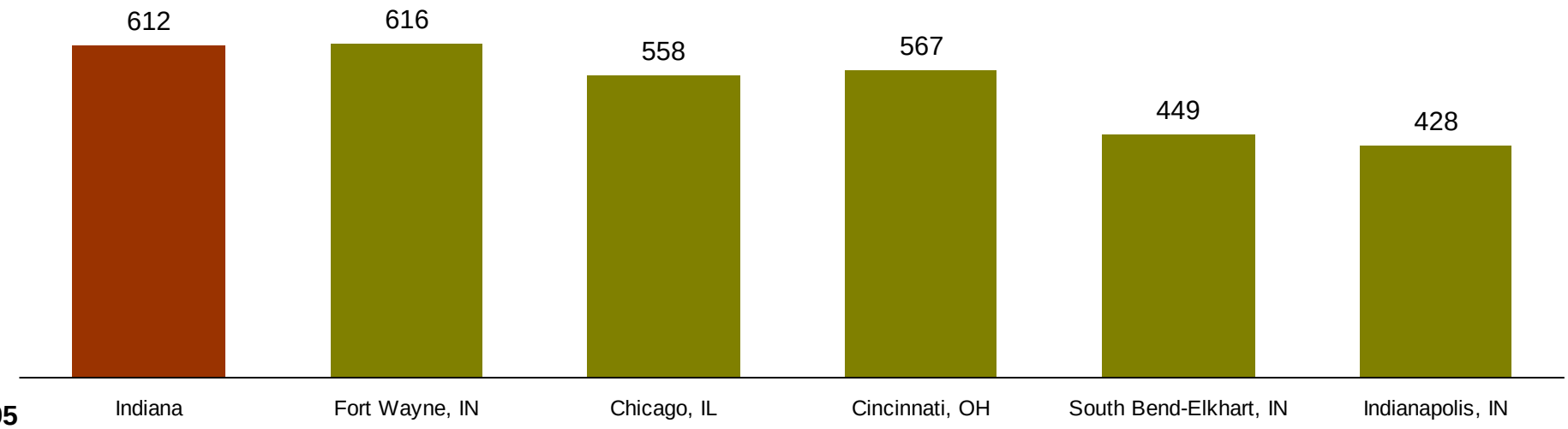
Indiana avg. Party per Stay Spending by Origin DMA

($ Overnight Leisure Stays in 2004 - 2006)



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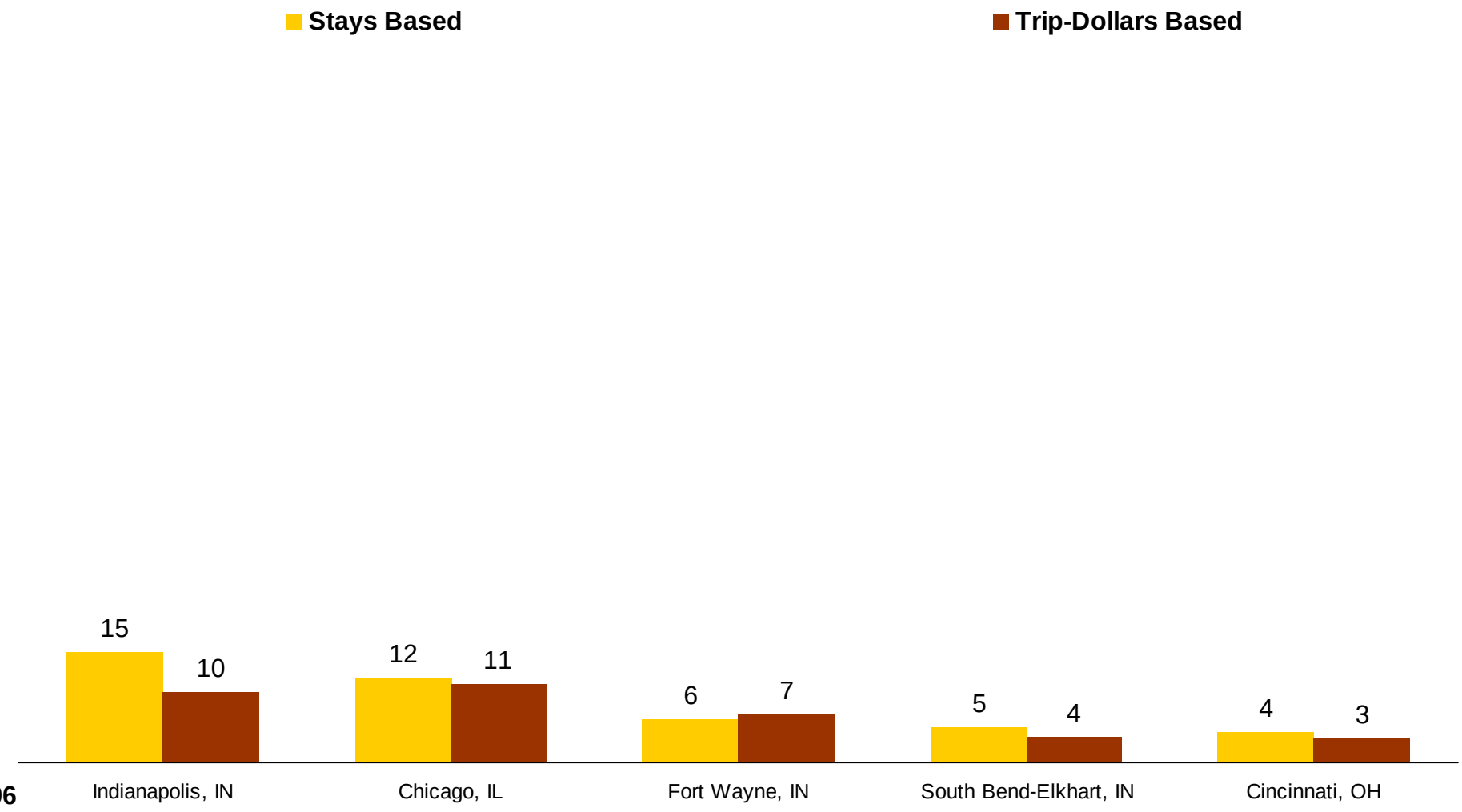
Indiana Origin DMA Comparison

(% of Overnight Leisure in 2004 - 2006)



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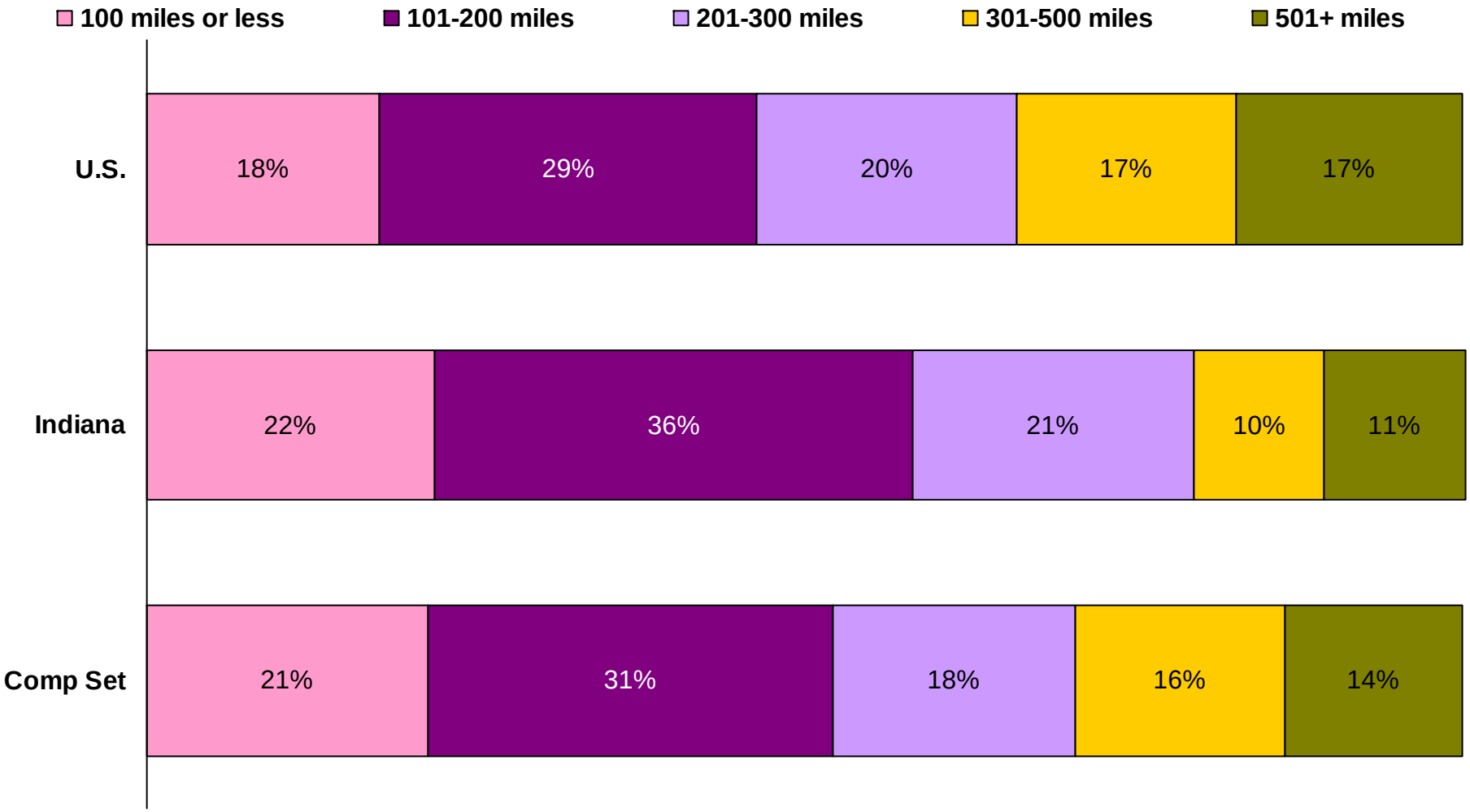
Travel Distance Distribution By Auto: U.S. , Indiana and Comp Set

(% of Overnight Leisure Person-Stays in 2006)



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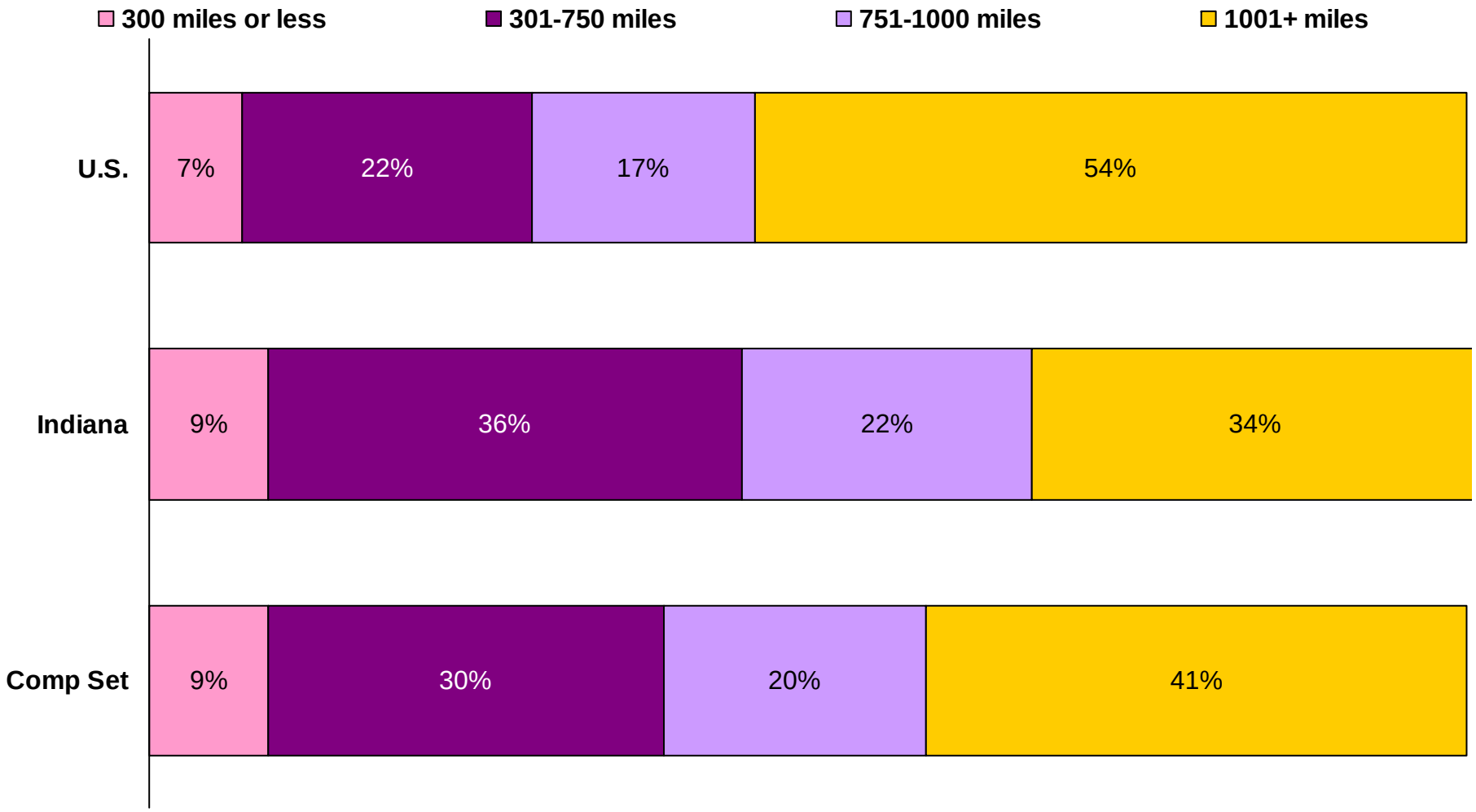
Travel Distance Distribution By Air: U.S. , Indiana and Comp Set

(% of Overnight Leisure Person-Stays in 2006)



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Appendix A – Background & Methodology

- Founded in 1982, D. K. Shifflet & Associates, Ltd. 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
- To meet the need for quality information, DKSA 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
  - DKSA 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 online mailout of 9,000 per month
- DKSA's 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 as well as returned questionnaires are balanced to the U.S. population across six demographic variables (age, gender, income, education, number of adults, and state of residence). This rebalancing ensures findings are reflective of the U.S. population and enables findings to be projected to the entire U.S. population.

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Methodology *(cont.)*

- 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.

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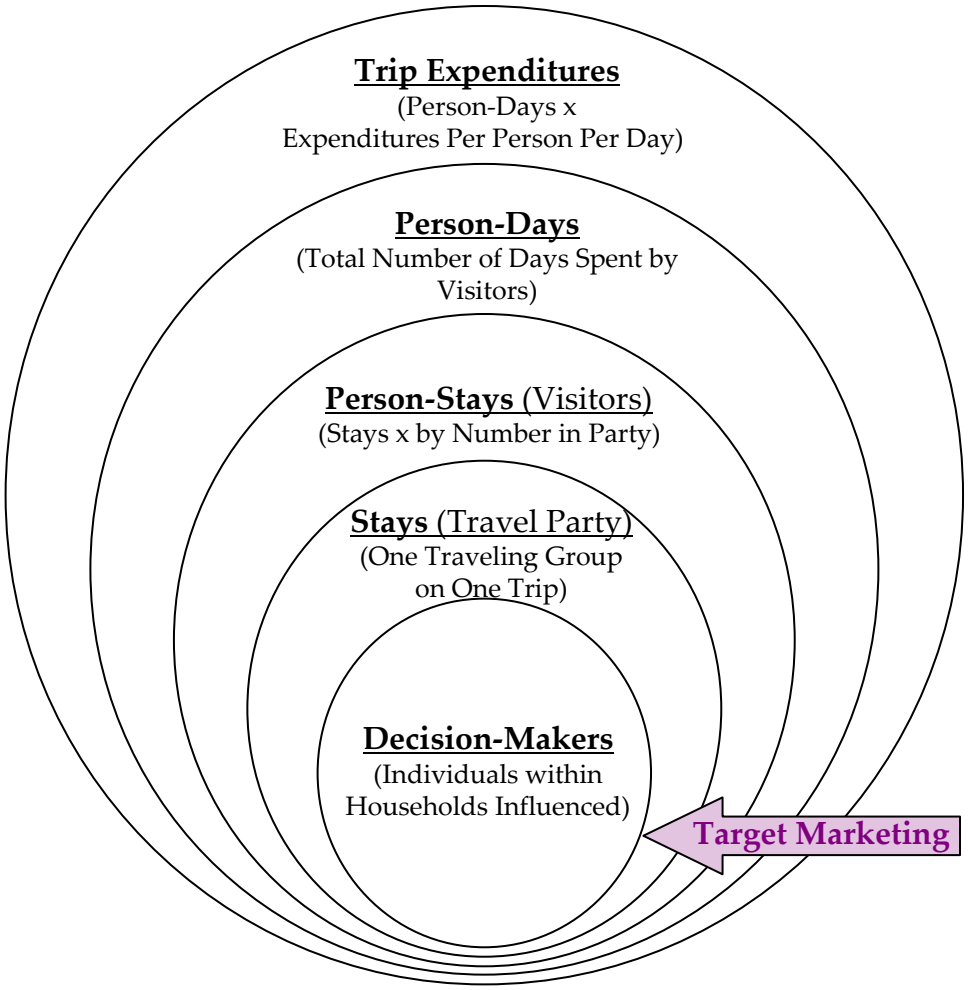
Reporting Levels



- DKSA can present the results of our ***DIRECTIONS® PERFORMANCE/Monitor***[SM] study of U.S. travelers at many levels. Each level of reporting is used for different purposes.
- 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)?", the number of people who visited and how long they stayed is reported in *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.
- 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.
- The smallest unit is the *Decision-Maker*, commonly the target of your marketing efforts.

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Types of Weights

- 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 key, interrelated travel measures, such as:
  - Stays
  - Average Travel Party Size
  - Person-Stays
  - Average Length of Stay
  - Person-Days
  - Direct Sending
  - Expenditure Per Person Per Day

  Changes in five of these travel measures are caused by changes in other related travel measures. The graphic on the next slide depicts how these travel measure variables are related to each other. When interpreting destination travel data, remember to consider how the travel measures are interrelated to determine drivers of changes in your travel marketplace.
- In most cases, use of weights depends on what you are trying to learn through the data. A weight makes a particular case, or response, more or less important. 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.

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Travel Measures Defined

Unweighted

The raw data contains no links to the population or DKSA modeling; it is simply respondent data as returned to us on the surveys.

Respondent

This weight links to the population and not to any modeling of the data. This weight rebalances the data by the demographic characteristics of age, gender, income, education, number of adults, and state of residence.

Stays, or Travel Parties

Stays represent the number of individuals that travel (so-called travel groups or parties) and the number of destinations they visited on a trip, regardless of the number of people within the travel group. It is the most basic travel weight and 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.
Example: Mr. & Mrs. Smith's 5-day vacation in Anytown, USA = 1 Stays.

Travel Party Size

Number of Visitors /Number of Stays = Average Travel Party Size –
Can be influenced by changes in number of Travel Parties, number of visitors, or the party composition shares.

Person-Stays, or Number of Visitors

The total number of people that traveled, regardless of the length of their stay. This measure equates to the number of visitors and can be influenced by changes in the number of Travel Parties or the number of people in the Travel Party.
Example: Mr. & Mrs. Smith's 5-day vacation in Anytown, USA = 2 Person-Stays or 2 visitors.

Length of Stay (by Visitors)

Duration of each stay component of the trip – Can be influenced by changes in number of visitors, number of Visitor-Days, or the changes in party composition shares, and/or changes in the day/overnight mix.

Person-Days, or Number of Visitor-Days

This is simply the total number of days that visitors contributed to a destination. This measure can be influenced by changes in number of visitors, changes in Length of Stay of these visitors, changes in party composition shares, and/or changes in the day/overnight mix. *Example: Mr. & Mrs. Smith's 5-day vacation in Anytown, USA = 10 Person-Days (2 Person-Stays x 5 days).*

Trip-Dollars, or Direct Spending contribution

Use of this weight takes into account the monetary contribution of visitors to a destination's economy. 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. Changes in Direct Spending can not only be influenced by ALL other travel measures including number of Travel Parties, number of persons, number of days, number of people in the Stays, Length of Stay, and individual traveler spending but also be related to changes in Travel Party composition, purpose of trip, activity participation levels, accommodation choice, etc. *Example: 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).*

Per Person Per Day Expenditures

Direct Spending / Number of Visitor Days – Changes in average per person per day spending can be influenced by **ALL** Potential Travel Measures.

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General Rules of Thumb when Choosing Weights

When selecting the proper weights to apply to data, the following general rules apply. There are a few important exceptions, which will be described.

- When profiling visitors to a destination, the *Person-Stays* weight is generally preferred for the overall profile because the objective is to understand the travel behaviors and characteristics of the entire population of the destination's visitors.
- When running data to help determine potential travelers (behaviors and characteristics), *Stays* would be the appropriate weight. This is because you profile or describe the individual visitors, but you market via various forms of media to households, not individuals. Households are generally the Travel Party who comprises the "stay" in your destination.
- The variable of Party Size has an impact on every variable except *Stays.*
  Note: There is a strong correlation between Party Size and Length of Stay! Be careful saying that your visitors are staying longer if you see an increase in the average Length of Stay. In fact, it may be the case that the visitors were not really staying for longer periods of time but that there was actually an increase in Party Size or in share of Travel Parties. Especially families (which have a larger Party Size) tend to stay for longer periods of time.

	Person-Stays	**Person-Days**	**Room-Nights**	**Trip-Dollars**
Age	Person-Stays	Person-Days	Room-Nights	Trip-Dollars
Income	Person-Stays	Person-Days	Room-Nights	Trip-Dollars
Party Composition	**Stays**	**Trip-Days**	Room-Nights	Trip-Dollars
Occupation	Person-Stays	Person-Days	Room-Nights	Trip-Dollars
Education	Person-Stays	Person-Days	Room-Nights	Trip-Dollars
Length	Person-Stays	**Person-Stays**	**Stays**	Trip-Dollars
Transportation	Person-Stays	Person-Days	Room-Nights	Trip-Dollars
Accommodations	Person-Stays	Person-Days	Room-Nights	Trip-Dollars
Expenditures	**Person-Days**	**Person-Days**	**Person-Days**	**Person-Days**
Stay Purpose	Person-Stays	Person-Days	Room-Nights	Trip-Dollars
Activities	**P-Stays or Stays**	**P-Stays or Stays**	**Stays**	Trip-Dollars
Distance	Person-Stays	Person-Days	Room-Nights	Trip-Dollars
Seasons	Person-Stays	Person-Days	Room-Nights	Trip-Dollars
Ratings	Person-Stays	Person-Days	Room-Nights	Trip-Dollars
Origin Markets	Person-Stays	Person-Days	Room-Nights	Trip-Dollars

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Hard Rules of Weights

Party Composition

Party Composition is best run using the Stays weight (if you are running it in conjunction with other data use Person-Stays weight). The reason for this is that party composition already takes into account the "people" on the trip. So, you would not want to weight it using Person-Stays, which also takes into account the number of people, or Party Size. If you run party composition weighted by Person-Stays, then larger Stays, such as Families, would get heavier weights and smaller Stays such as Couples or Adults Traveling Alone would get lower weights than they should. In a sense, you would be double counting.

Expenditures

Expenditures must always be run using the Person-Days weight. This is due to the way we ask the question in the *PERFORMANCE/Monitor*SM. We ask respondents to indicate how much they spent per person per day.

Length of Stay

Length of Stay should never be run using Person-Days, Person-Stays or Room-Nights weights, and should only be run using the Stays weight. This is because this measure already takes into account the number of days a respondent is spending on the Stay. So, running Length of Stay using Person-Days would be double counting – giving higher weights to those who stayed longer (more days). Room-Nights also include a Length of Stay concept. Person-Stays weight contains the element of Party Size Using the Person-Stays weight for Length of Stay may result in a false understanding of change in Length of Stay due to the strong correlation of Length of Stay and Party Size.

Activities

Activities should be run using the Stays or Person-Stays, never Person-Days weight. Running activities in Person-Days makes the assumption that each person on the stay participated in each activity for each day. Running activities in Person-Stays makes the assumption that each person on the stay participated in each activity. Running activities using the Stays weight makes the assumption that at least one person on the stay participated in an activity on at least one day of the stay.

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Reporting Details

VARIABLES	EXPLANATION	
Repeat Visitation	represents the number of visits to the destination in the past three years, including the visit being reported. Provided for cities only.	
Children in Household	Sum exceeds 100% due to multiple-children households.	
Travel Party Composition	Children Present	is defined as one or more adults accompanied by one or more persons under age 18. The child necessarily has to live in the household.
	MM/FF	include either two females or two males from different households traveling together.
Activities	Entertainment Dining Shopping	These activities are based on minimum spending levels; Entertainment (>$10), Dining (>$20), Shopping (>$20). All other activity incidence is based on activities selected from a list. Note that the sum of all activity participation exceeds 100% as a function of the survey, whereby up to four activities per stay may be selected.
Average Party per Trip Spending	The destination's total Average Party per Trip Spending includes the reported expenditures of all travelers (including transportation expenditure) who spent more than $1 on their stay at the destination. Individual averages for subgroups of variables, such as accommodation types or activities might be higher than the total Average Party per Trip Spending for a destination because the travelers' spending is included only in those subgroups of variables to which the respondent replied.	

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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 relevant 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 13% and the sample size is 44,700, using the chart below, we can say that at the 90% level of confidence, the proportion ranges between 12.7% and 13.2%.

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).

		Percentage Finding in Report or Data Tables				
	Sample Size for SY2006	At or near 2% or 98%	At or near 5% or 95%	At or near 10% or 90%	At or near 25% or 75%	At or near 50%
Overnight Leisure Travel						
U.S.	44,700	0.1%	0.1%	0.2%	0.3%	0.4%
Indiana	1,081	0.5%	0.9%	1.3%	1.9%	2.5%
Comp Set	6,814	0.2%	0.4%	0.5%	0.8%	1.0%

Note: Sample size differs slightly from table to table and reflects small differences in the proportion of respondents who answered the question

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Significance Testing

The chart below compares two proportions from different samples for statistical significance.
Instructions:

Enter the proportion for each sample and sample size in the appropriate cells in the data input section, using the Z Score Table, compare the resulting Z score with the Z score corresponding to your desired confidence level. If the resulting Z score is greater than the table Z score, the difference between the two proportions is statistically significant. If the resulting Z score is lower, there is no significant difference.

For example, if the air travel finding for U.S. is 17% in pervious time period and 15% in current time period, using the chart below, we can say that the actual proportion change is not statistically significant since the resulting Z score (1.52) is smaller than the table Z score (1.64).

Data Input	Sample 1	Sample 2	Resulting Z Score	Z score	Confidence Level
Proportion	17.0%	15.0%		**1.96**	**95%**
Sample Size (n)	1600	1500	**1.52**	**1.64**	**90%**

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DIRECTIONS® PERFORMANCE/MONITOR℠
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] *Added 06/96*

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.

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Questionnaire *(cont.)*

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 *Added 11/02*
2	800 Phone #	6	Other Website *Added 11/02*
3	Corp. Travel Dept.	7	Other
4	Travel Agent		

<u>AIRLINE</u>

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)

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Questionnaire *(cont.)*

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] *Added 07/96*
Rental Car $	[Open End/Actual] *Added 07/96*
Food/Drink $	[Open End/Actual]
Entertainment/Recreation $	[Open End/Actual]
All Shopping $	[Open End/Actual]
All other except 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)*

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Questionnaire *(cont.)*

6b. **PURPOSE OF STAY**

Company Business

"Group Meeting"
1 Convention
2 Training/ Seminar
3 Other Group Meeting

"Transient Business"
Changed 03/01
4 Client Service, Consulting
5 Inspection, Audit
6 Construction, Repair
7 Sales, Purchasing
8 Government/ Military
9 Other Company Business

Leisure/Personal

"Leisure Vacation"
10 Getaway Weekend
11 General Vacation

"Leisure Non-Vacation"
12 Visit Friend/ Relatives
13 Special Event
14 Other Personal

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

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)

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Questionnaire *(cont.)*

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 *Added 07/04*
	5	Bed & Breakfast	11	Other
	6	Camping/ RV		
Reservations for Accommodations:	1	No Reservation	5	Travel Agent
	2	Chain 800 phone #	6	Hotel Chain Website *Added 11/02*
	3	Direct to location	7	Other Website *Added 11/02*
	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] *Added 11/03*

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Questionnaire *(cont.)*

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.	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.

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Appendix C – 2006 Travel Industry Overview

DKSA Domestic Volume and Direct Spending

Economy in Review
Economic Indicator

U.S. Inbound Travel
International Travel
Travel Events Summary

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DKSA Domestic Volume and Direct Spending

Small Area Model (June 2007)	2006	2005	2004	2003	06/05	05/04	04/03
Hotel Room Night Volume (million)							
Total	946.7	950.0	923.1	884.0	-0.3%	2.9%	4.4%
Business	442.5	456.5	460.9	454.1	-3.1%	-1.0%	1.5%
Leisure	504.3	493.5	462.2	429.9	2.2%	6.8%	7.5%
Stays Volume (million)							
Total	1,390.3	1,383.9	1,346.2	1,301.8	2.8%	3.4%	2.7%
Day	721.9	706.1	679.8	659.9	3.9%	3.0%	1.2%
Overnight	668.3	677.8	666.5	641.9	1.7%	3.8%	4.3%
Overnight Business	210.7	210.5	211.8	204.9	0.1%	-0.6%	3.4%
Overnight Leisure	457.6	467.3	454.7	437.0	-2.1%	2.8%	4.0%
Person-Stays Volume (million)							
Total	3,047.3	3,022.8	2,903.0	2,796.7	0.8%	4.1%	3.8%
Day	1,578.7	1,559.3	1,474.1	1,428.3	1.2%	5.8%	3.2%
Overnight	1,468.6	1,463.5	1,428.9	1,368.4	0.3%	2.4%	4.4%
Overnight Business	337.2	327.4	325.5	310.2	3.0%	0.6%	4.9%
Overnight Leisure	1,131.4	1,136.1	1,103.4	1,058.2	-0.4%	3.0%	4.3%
Person-Days Volume (million)							
Total	6,611.6	6,596.4	6,430.6	6,179.7	0.2%	2.6%	4.1%
Day	1,184.1	1,169.5	1,105.6	1,071.2	1.2%	5.8%	3.2%
Overnight	5,427.5	5,426.9	5,325.0	5,108.5	0.0%	1.9%	4.2%
Overnight Business	1,223.9	1,203.0	1,199.6	1,126.2	1.7%	0.3%	6.5%
Overnight Leisure	4,203.6	4,223.8	4,125.3	3,982.3	-0.5%	2.4%	3.6%
Direct Spending (million)							
Total	$727,583	$700,188	$679,003	$624,847	3.9%	3.1%	8.7%
Day	$131,654	$124,119	$119,639	$105,611	6.1%	3.7%	13.3%
Overnight	$595,929	$576,069	$559,364	$519,236	3.4%	3.0%	7.7%
Overnight Business	$173,872	$167,058	$165,476	$157,290	4.1%	1.0%	5.2%
Overnight Leisure	$422,057	$409,011	$393,887	$361,946	3.2%	3.8%	8.8%

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Economy in Review

	Annual Totals				% Change		
	2006	2005	2004	2003	06/05	05/04	04/03
Consumer Confidence Index (base: 1985=100)	105.87	103.6	95.97	79.56	N/A	N/A	N/A
Real Gross Domestic Product (billions 000 $)	$11,415*	$11,048*	$10,703*	$10,301*	3.3%	3.2%	3.9%
Per Capita Disposable Personal Income	$27,763*	$27,332*	$27,278*	$26,576*	1.58%	0.20%	2.64%
Per Capita Personal Consumption Expenditure	$27,022*	$26,444*	$25,801*	$25,082*	2.19%	2.49%	2.87%
Consumer Price Index (base: 1982-1984=100)	201.6	195.3	188.9	184	3.2%	3.4%	2.7%
Travel Price Index	232	221.4	210.2	201.1	4.8%	5.3%	4.5%
Unemployment Rate	4.6%	5.1%	5.5%	6.0%	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
* Numbers revised as of April 2007

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2006 Economic Indicators Overview

- The U.S. economy grew by 3.3%, slowed somewhat in the latter half of the year by a deceleration in the housing market.
- Personal disposable income per capita was up 1.58%; a marked increase over the 2005 level (0.2%), but still less than the growth enjoyed in the previous years. Per capita personal consumption expenditure rose by 2.19%, which can be attributed to increased energy costs.
- The Consumer Confidence Index reached the highest reported level since 9/11 peaking in December at 110 and averaging 105.87 for the year.
- The unemployment rate was at the lowest reported level since 2000, ranging from 4.5% to 4.8%.
- The average per barrel of U.S. crude oil was $60.85, ranging from a calendar year-high of $69.79 to a year-low of $53.32. Gas prices peaked in July, averaging $2.93 per gallon nationwide. Gas prices stabilized during the fourth quarter, reducing the average gas price to $2.28 per gallon for the month of December.
- Although research conducted by AAA shows that the price of gas has, in general, not prevented U.S. residents from traveling, research conducted by TIA suggests that gas prices often result in modifications in travel patterns, including shorter trips and reduced spending to help offset the high cost of gas.
- The airline industry fuel costs rose 18% over the previous year, despite reductions in fuel consumption.
- While the Air Travel Price Index (ATPI) rose above the historical highs reached in 2001, average airfares are still well below their pre-9/11 peak, due to:
  - Increasing competitive influence of lower cost carriers on the entire industry
  - Wider usage of the Internet for comparison shopping and booking
  - Fewer seats ticketed under higher cost fares

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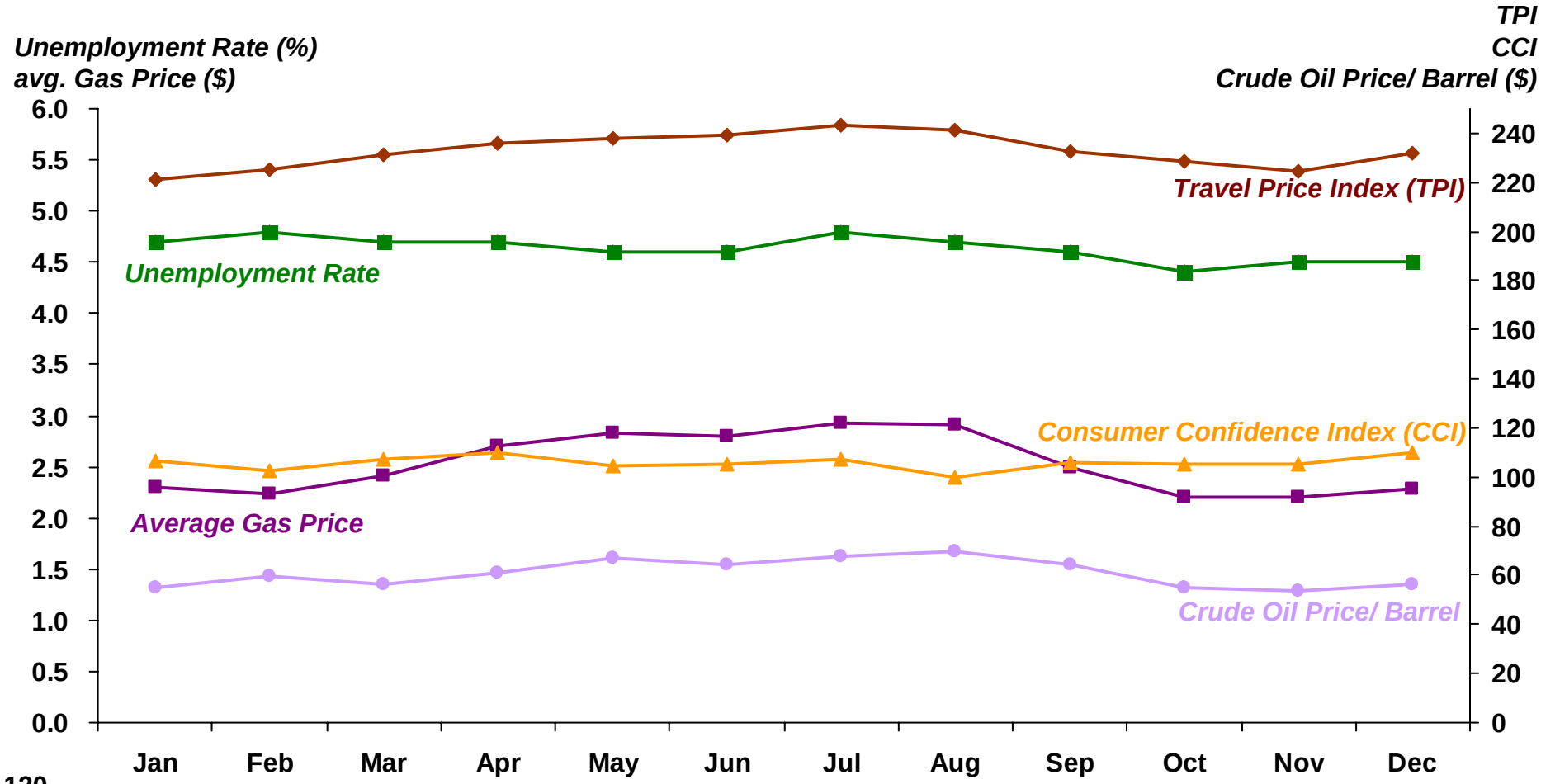
2006 Economic Indicators



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

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U.S. Travel and Tourism Balance of Trade
(1997-2006 Inbound/Outbound Spending)

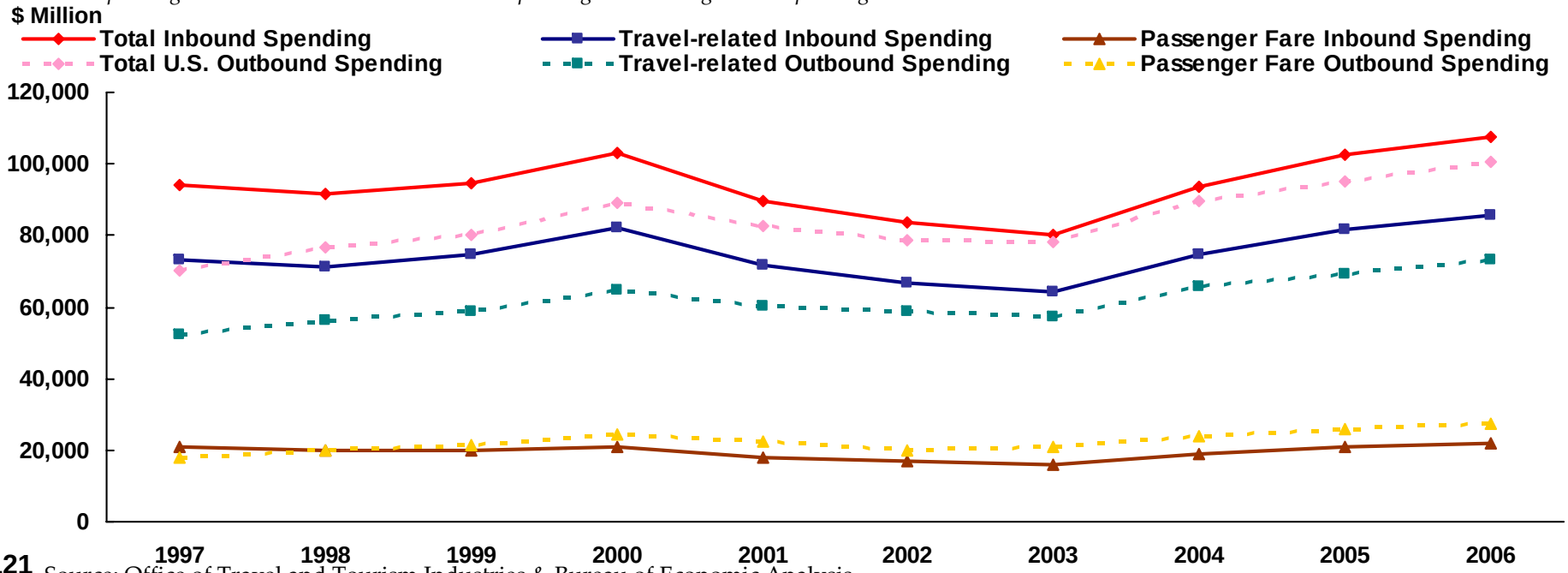
For the eighteenth consecutive year, the U.S. enjoyed a travel trade surplus, reaching $7.3 billion in 2006.

U.S. total international inbound travel-related spending, including passenger fares for the U.S. , hit a record high of $107.8 billion in 2006. This spending represents a full recovery in export value since 9/ 11, and surpasses the previous record of $103.1 billion set in 2000.

Spending on travel-related goods and services by international visitors totaled $85.7 billion for the year, an increase of 5% over 2005. These goods and services include food, lodging, recreation, gifts, entertainment, local transportation in the U.S. , and other items.

Passenger fare receipts for U.S. carriers and U.S. vessel operators from international visitors increased more than 3% over 2005 to a total of $22.1 billion.

Note: Total Inbound Spending is comprised of Travel-related Inbound Spending and Passenger Fare Inbound Spending, while Total U.S. Outbound Spending includes Travel-related Outbound Spending and Passenger Fare Spending.



Source: Office of Travel and Tourism Industries & Bureau of Economic Analysis

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2006 U.S. Inbound Travel Overview

Source: Office of Travel and Tourism Industries – International Arrivals to U.S.

- International visitation to the U.S. (one night or longer) increased 4% to 51.1 million visitors, just shy of the 2000 record when the U.S. welcomed 51.2 million international visitors. Moreover, ten of the top fifty markets set visitation records and six of the top twenty-five markets posted double-digit growth.
- Total international travel-related spending, including passenger fare for the U.S. , hit a record high of $107.8 billion.
- International visitor spending from Indian visitors (55%), Chinese visitors (21%), Canadian visitors (16%) and Brazilian visitors (11%) helped propel the industry into record-breaking territory. However, visitor spending from residents of many European countries declined this year and total U.S. travel and tourism exports to Europe declined 1%.

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2006 U.S. Inbound Travel Overview *(cont.)*

Source: Office of Travel and Tourism Industries – International Arrivals to U.S.

- **Canadian** visitation was up 8% for the year and total visitation from **Mexico** was up 6% for the year, with air arrivals increasing 3%.
- Overseas arrivals (excluding Canada and Mexico) remain flat compared to 2005. Visitation from the top two overseas markets - the United Kingdom and Japan - both declined. Most of the growth is originated from overseas markets requiring U.S. visas.
- **Eastern Europe** traveler visitation increased by 6%, **Western European** arrivals declined by 2%. Visitation from the top European markets declined as the United Kingdom, Germany and France experienced declines ranging between -2% and -10%. However, visitor arrivals from Spain and Ireland increased 10% and 8% respectively, combined with a strong growth in arrivals from Denmark (6%), Portugal (5%), Norway (5%) and Switzerland (5%) causing an overall growth in European arrivals to the U.S.
- Visitation from **Asia** decreased by 1% and arrivals from India, PRC/Hong Kong and South Korea all grew considerably. Japanese arrivals dropped 5%.
- Arrivals from **South America** grew 6% over 2005 led by Brazil and Venezuela. Visitation from Central America remained relatively unchanged for the year.
- **Caribbean** arrivals increased 6% between 2005 and 2006.
- Travel from **Oceania** was up 3%, driven by arrivals from Australia (up 4% for the year.)
- Arrivals from the Middle East increased by 5%.
- Visitation from **Africa** remained flat.
- Travel and tourism supported 8.3 million American jobs in 2006, of which 1.1 million were supported by travel and tourism exports.

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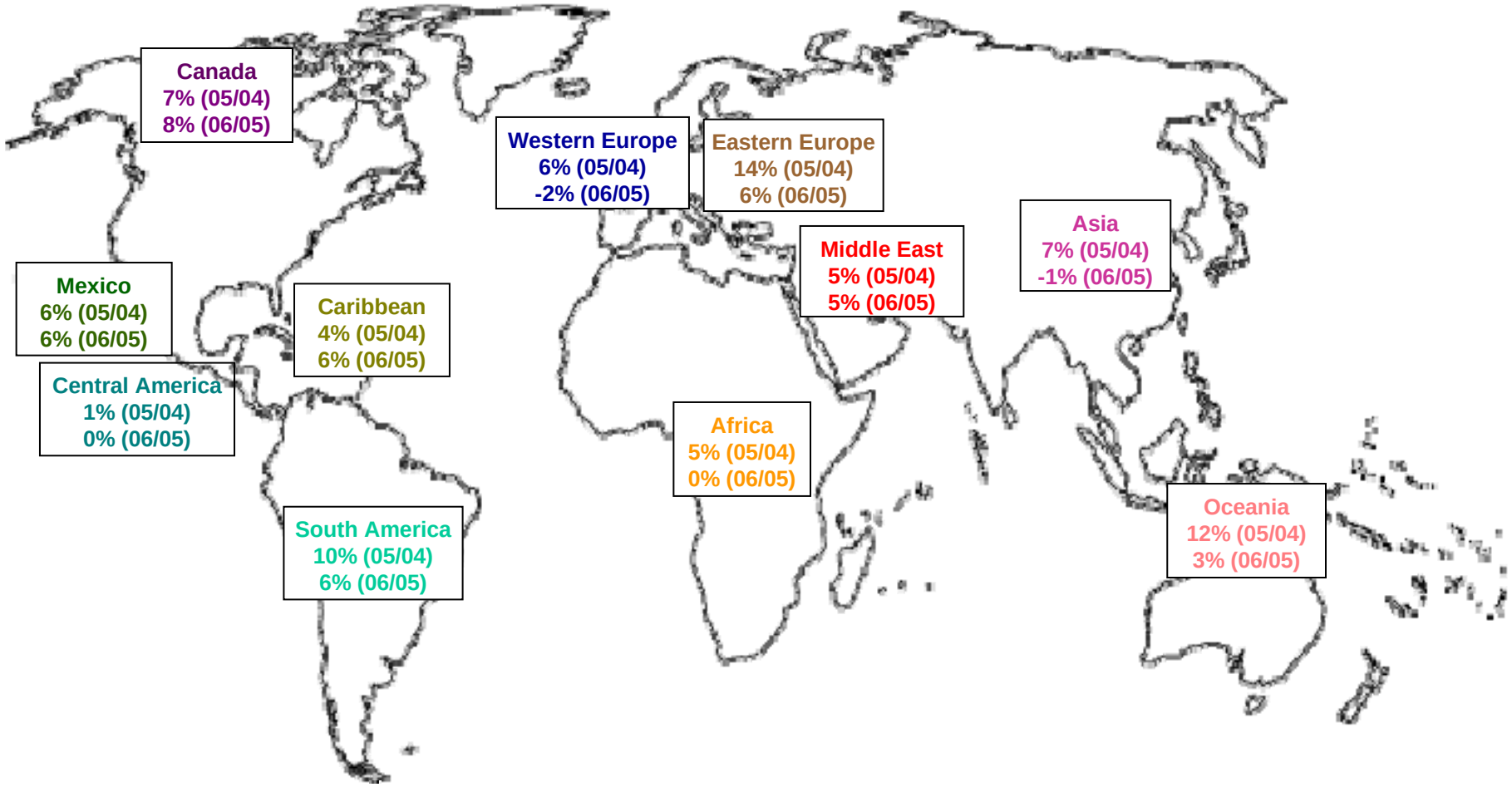
U.S. Inbound Travel Overview *(cont.)*

(% Changes in 2005/2004 vs. 2006p/2005)



Source: Office of Travel and Tourism Industries - International Arrivals To U.S. By Country of Residency

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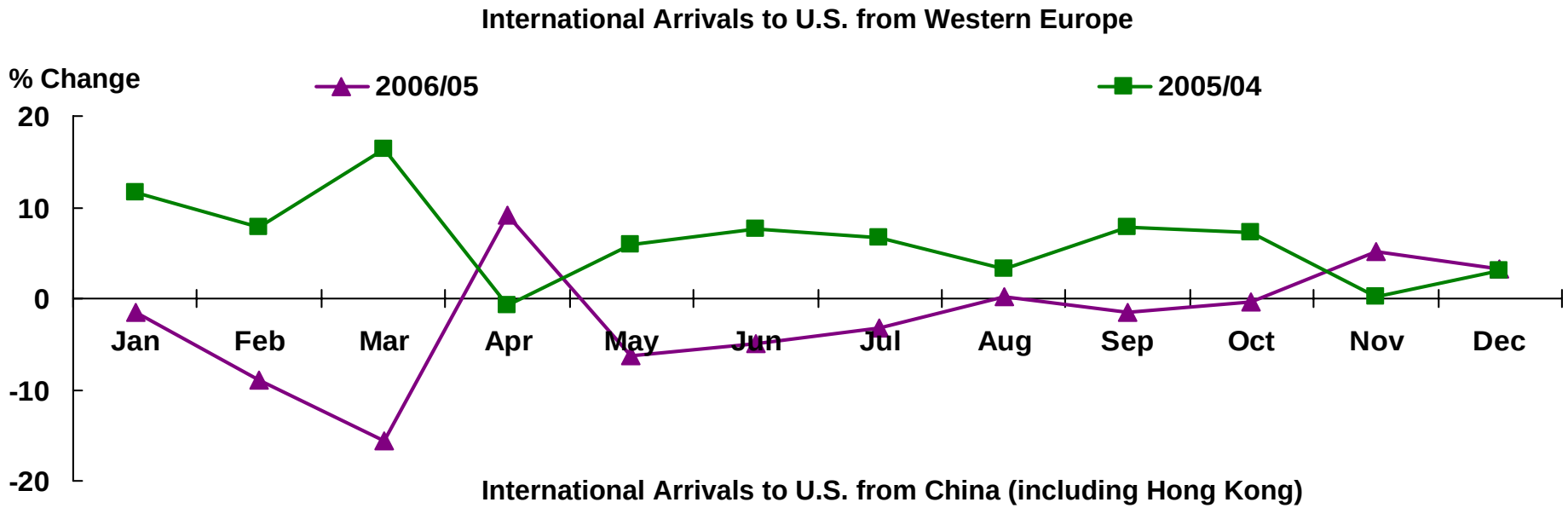
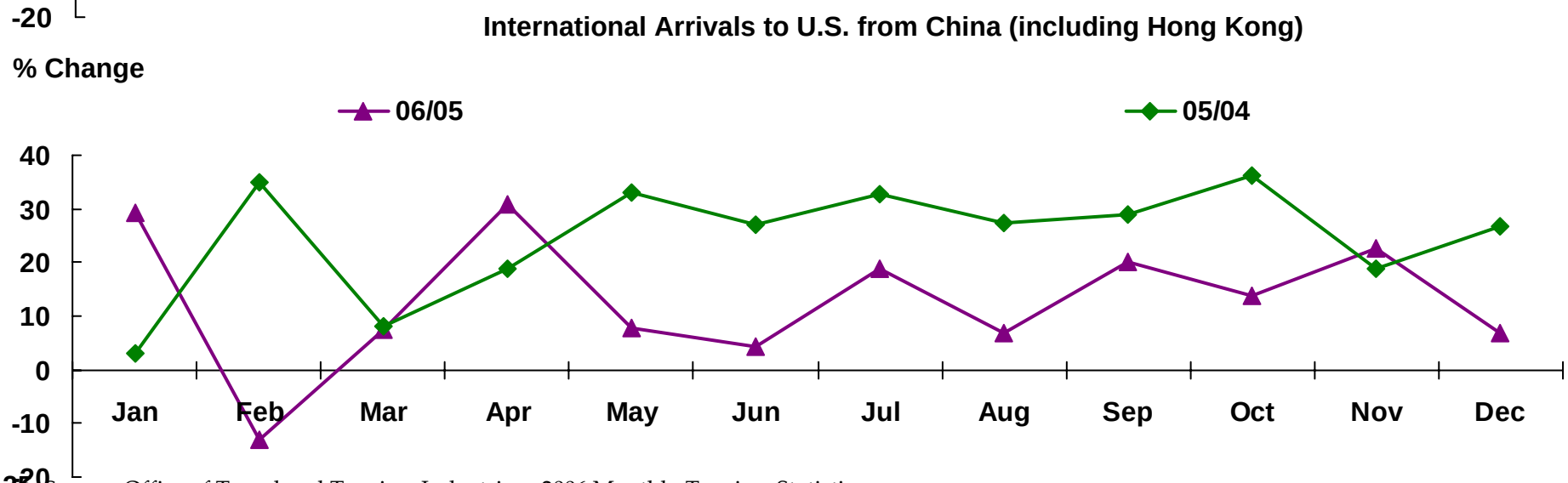
U.S. Inbound Travel From Western Europe and China

(% Change in 2006/05 vs. 2005/04)





Source: Office of Travel and Tourism Industries - 2006 Monthly Tourism Statistics

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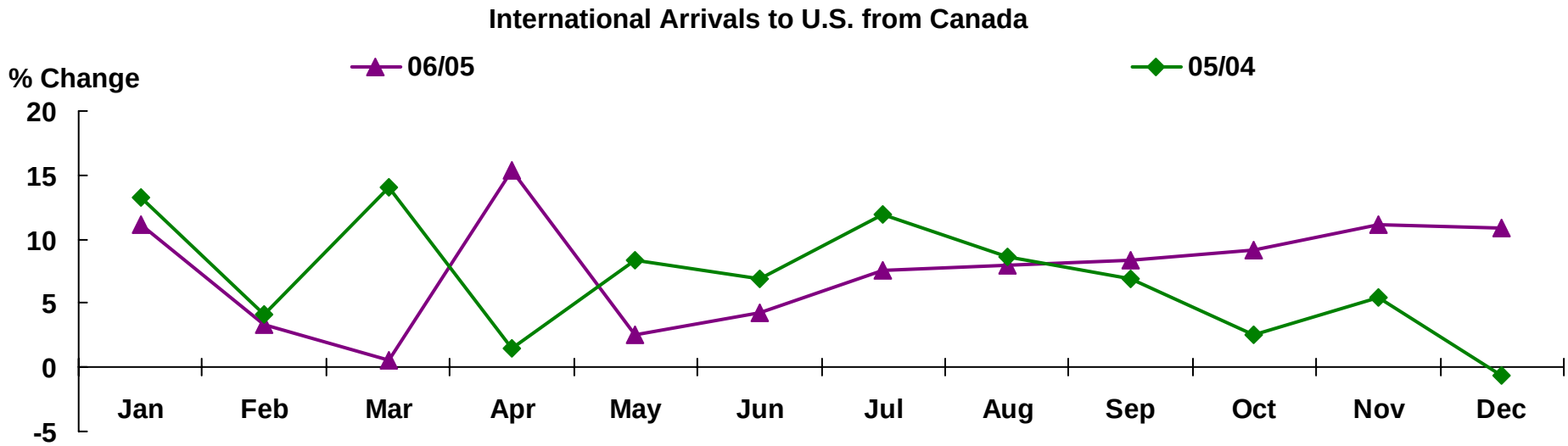
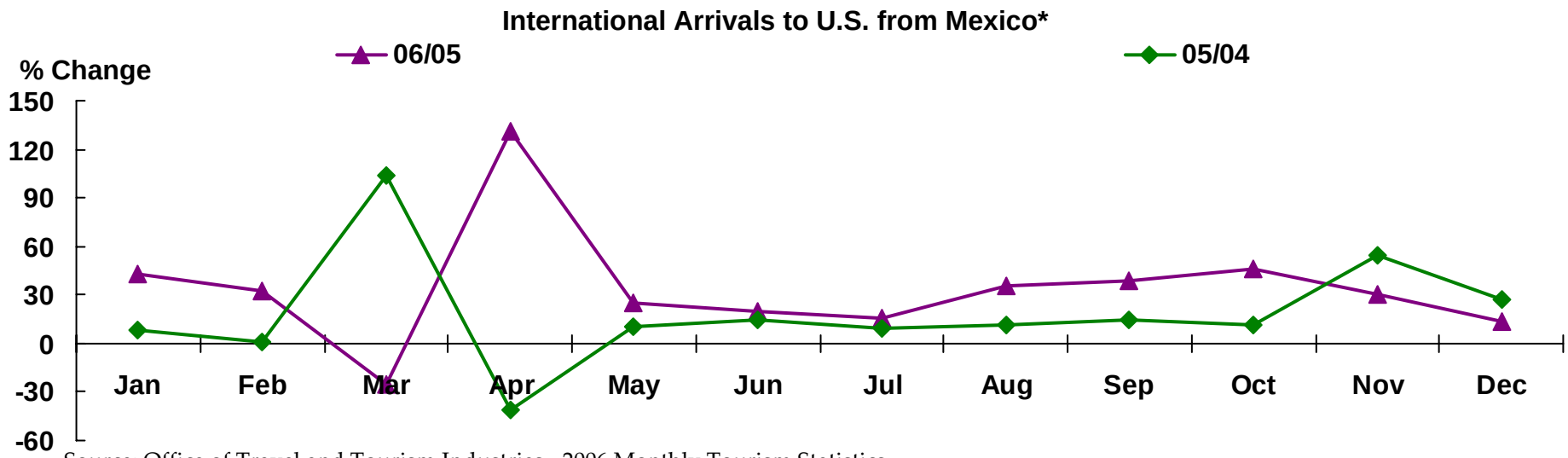
U.S. Inbound Travel From Canada and Mexico

(% Change in 2006/05 vs. 2005/04)





Source: Office of Travel and Tourism Industries - 2006 Monthly Tourism Statistics

*Note: International arrivals from Mexico only accounts for Mexican visitors who filled an INS I-94 Form.

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2006 International Tourism Highlights

Source: Office of Travel and Tourism Industries – International Arrivals to U.S.

- World tourism set a record, despite fears of terrorism, avian flu, and rising oil prices. A total of 842 million international visitor arrivals were recorded last year, an increase of 4.5%.
- By region…
  - Africa (+8.1%) posted the highest growth rate, benefiting from travelers' fears of terrorism elsewhere in the world.
  - Asia and the Pacific (+7.6%) maintained extraordinary growth level, due both to the recovery of Thailand and the Maldives from the impact of the December 2004 tsunami and to remarkable performances from emerging destinations in the region. International tourist arrivals in South Asia grew by 10%, carried in large part by India, which was the destination responsible for half the arrivals to the sub-region.
  - Europe (+4.0%) performed well. Germany took advantage of the Football World Cup 2006. Italy was a more popular destination this year as well, and Spain posted solid results.
  - In the Middle East (+4.0%), international tourist arrivals are estimated to have risen after the bumper years of 2004 and 2005 and in spite of the overall geopolitical situation, and the Israel-Lebanon crisis in particular.
- The region with the weakest growth was the Americas--just 2.0%--due mainly to stagnation in arrivals in North America. The rise in the U.S. was not sufficient to compensate for the weak development in Canada and Mexico. On the other hand, the results from Central (+6.1%) and South America (+7.2%) show how Latin America is on track to consolidating the positive outcome of recent years: Chile, Colombia, Guatemala, Paraguay and Peru all grew at double-digit-rates.
- International tourist arrivals are projected to grow around 4% in 2007, much in line with forecasted long-term annual growth rate of 4.1% through 2020.

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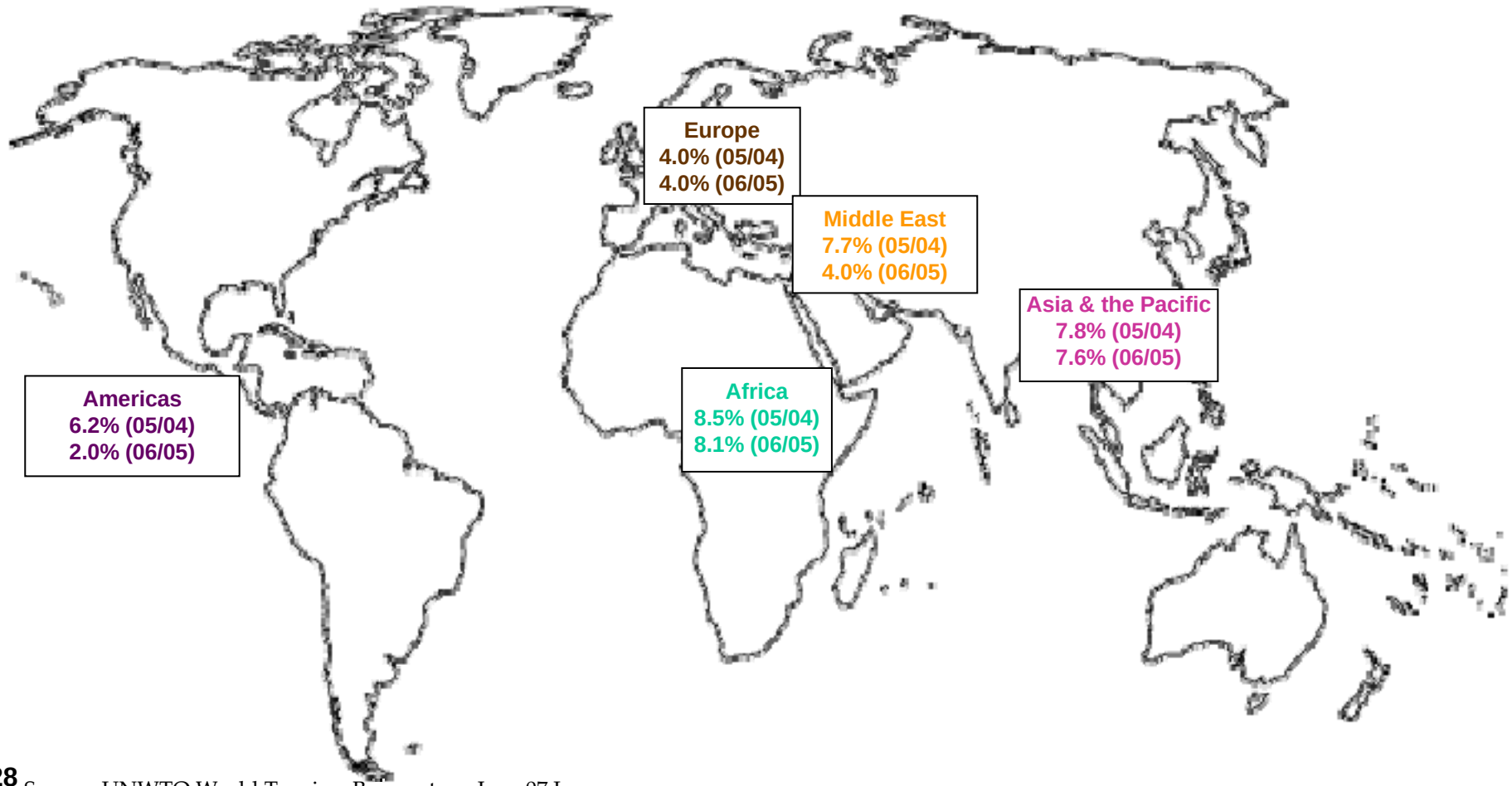
International Visitor Arrivals
(% Change in 2005/2004 vs. 2006/2005)



Source: UNWTO World Tourism Barometer – Jan. 07 Issue

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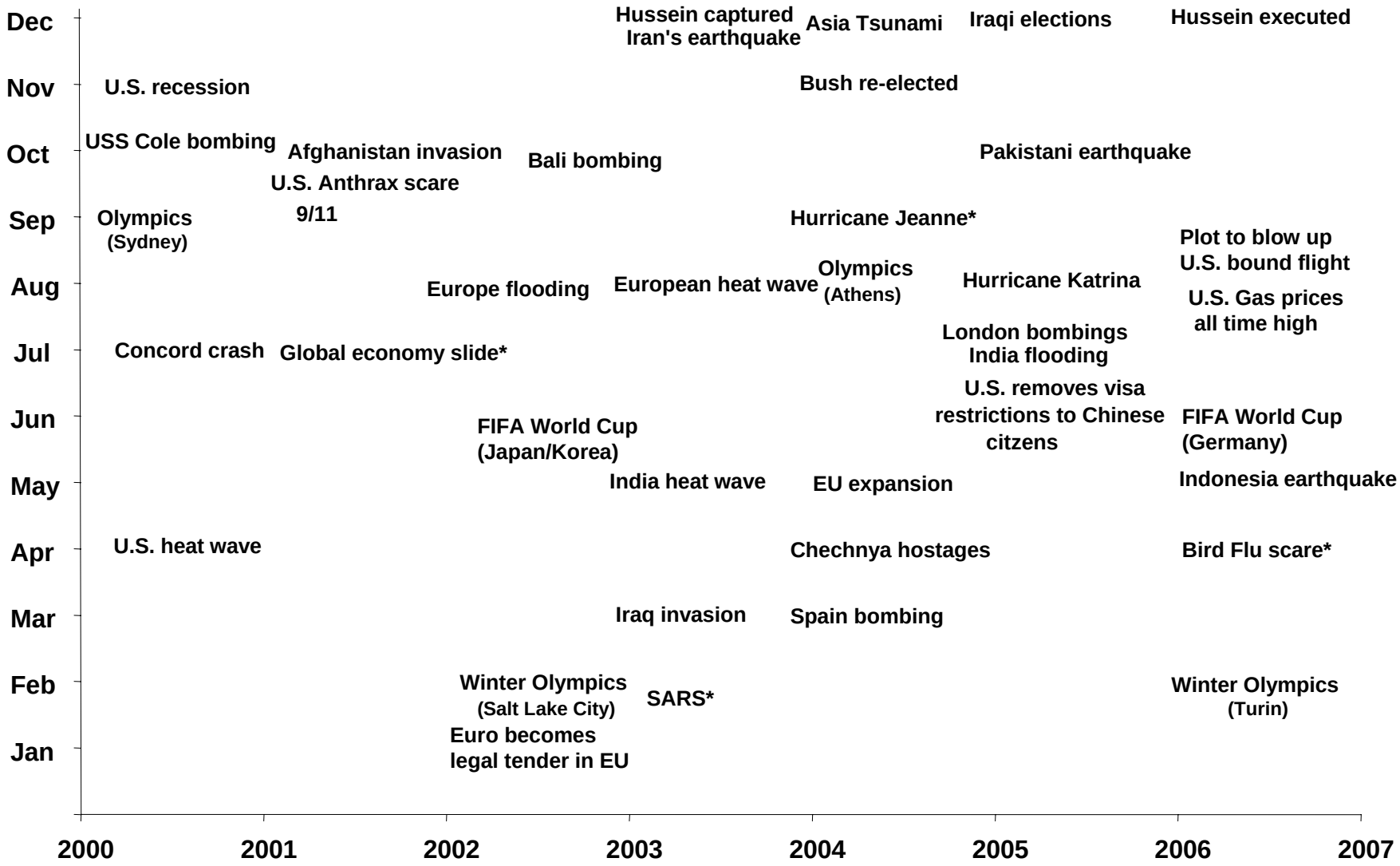
World Events Impacting Travel



* Indicates events that occurred in multiple regions

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2006 Recap of Other Travel Industry Events

National Headlines

British police arrest 21 people in connection with a terror plot against flights from Britain to the U.S. Consequentially, transport officials in both countries impose stringent security measures on all air travelers, restricting carry on liquids.

According to Trip Advisor latest annual trends survey, global terrorism remains a major factor for Americans planning a vacation, with 61% of travelers weighing terrorism risks when choosing a vacation destination.

Biometric entry capabilities are deployed at all fixed ports of entry open to US visit travelers. The USVISIT program enhances security by verifying each visitor's identity and comparing his or her biometric data and biographical information against watch lists of terrorists, criminals, and immigration violators.

Quarter 1, 2006

For the first time ever, neighborhood car rentals generate more than half (54%) of the industry's revenue.

Quarter 2, 2006

Industry leaders testify before congress regarding improving America's image around the world. Although global travel has increased 52% in the past 15 years, America's share of the lucrative market has declined by 35% over the same period.

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2006 Recap of Other Travel Industry Events cont.

Quarter 3, 2006

Gas prices peaked, averaging $3.04 a gallon on August 7, 2006.
eMarket reports that Online travel spending projected to reach $122 billion by 2009.
Americans made an impressive 12.9 million visits to Europe, a 3.5% increase over 2005 and just shy of the 13 million record set back in 2000.

Quarter 4, 2006

A strong earthquake strikes Hawaii, causing blackouts, landslides and halting all air travel to the state.
Thanksgiving air travel sets a new record, as an estimated 25 million passengers fly during the holiday.
Discover America Partnership reports that the U.S. ranks last among seven nations on entry process, with travelers reporting difficulties during the visa application, poor customer service and other procedures for visitors. However, foreign visitors report positive experiences once in the U.S.
Gas prices fall to low for the year, with a national average of $2.20 a gallon.
Consumer confidence peaks in December, reaching 110.0, the highest level in four years.
A study by Harris Interactive and Witeck-Combs and Communications reports that gay and lesbian travelers represent a market potential of $641 billion and that nearly half gay and lesbian travelers plan their vacations according to the level of gay acceptance at the destination.
Las Vegas is the top destination for conventions, hosting a record number of trade show in 2006.

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