

- Spring Break Travel Trends
- Warm Weather Impacts Winter Travel
- Despite Obstacles, International Travel Grows
- Eco-Aware Travelers Embrace New Green Options



Expedia Travel

# Trendwatch™

BY CHRIS MCGINNIS

Online at [www.expediatraveltrendwatch.com](http://www.expediatraveltrendwatch.com)

Spring break is a popular time to travel every year, and 2007 is no exception.



**TREND #1: ALL SIGNS POINT TO THIS SPRING BREAK SEASON – EARLY MARCH THROUGH MID-APRIL – BEING AS BUSY AS LAST YEAR, CONTINUING THE PATTERN OF THE RECENT PEAK WINTER HOLIDAY SEASON.**

The increased prices, crowded planes, full hotels and sold-out rental cars from peak travel periods in 2006 are poised to repeat again during the upcoming spring break travel season. A national poll<sup>1</sup> conducted by Harris

Interactive® on behalf of Expedia.com® found that **16 percent** of U.S. adults plan to travel by air **more** this spring than they did last spring, and **66 percent** plan to travel by air **as much as** they did last spring.

Hotel rates are expected to remain high in 2007, although they might not increase as sharply as they did last year. According to Bjorn Hanson of PricewaterhouseCoopers, “Businesses and

consumers are responding to the cumulative increases in hotel rates. Still, demand growth continues to exceed increases in supply.” And when demand rises, prices usually do the same.

For those hoping to secure the best selection of options at the best prices, now is the time to book spring break travel. This is even more important for those planning to visit the **most popular spring break destinations, including Las Vegas, Orlando, Fla., Cancun and Miami.**

## Top Spring Destinations

1. Las Vegas
2. Orlando
3. Cancun
4. Miami
5. New York
6. Honolulu
7. Jamaica
8. San Francisco
9. San Diego
10. Maui

Based on bookings by Expedia.com customers from March – April, 2006

## Airline Fare Outlook

Airlines raised fares 10 times last year, and pushed through two more increases this month (January) despite declining fuel prices. According to Expedia® data, the average airline ticket price for spring break (April/May) in 2006 was \$380. Based on currently available fares, Expedia expects a year-over-year increase for the season at some common spring break destinations. In particular, spring break fares into South Florida cities like Miami and Fort Lauderdale are up five percent to 10 percent due to a reduction in airline capacity during the last year.

Other fare increases of note are to Mexico’s Puerto Vallarta, Los Cabos and Cancun, where current prices are up seven percent to 13 percent. Hawaii has become a more affordable destination to visit, with average year-over-year fares decreasing approximately 10 percent to 15 percent, partially due to a recent up tick in airline capacity to the islands.

# Expedia Travel Trendwatch™

Additionally, most university spring breaks take place between March 5 and March 30 this year, meaning travelers should expect heavy volume (and plenty of youthful exuberance) during this time at airports in or near university towns, as well as those airports and hotels/resorts near student spring break hotspots in Florida, Mexico and Texas.

**Easter falls on Sunday, April 8** this year, which means that the Thursday and Friday before Easter and the Monday and Tuesday after will be among the busiest travel days of the spring season.

## SPRING TRAVEL HOTSPOTS

Hotels in and flights to/from **Washington, D.C.** will fill during the popular Cherry Blossom Festival from March 31 to April 15.

College basketball playoffs can cause heavy airport and hotel traffic. The competition peaks during the last two weeks of March, with regional games (March 22-25) held in **San Antonio, San Jose, Calif., St. Louis and East Rutherford, N.J.** The finals are scheduled for **Atlanta** on the weekend of March 31.

Walt Disney World and other amusement parks in **Florida** are at their busiest during spring season (February 15 to April 14). Disneyland, in southern **California**, usually peaks in mid-April, and again in July and August. This year, basic day rates at Walt Disney World are \$67 for adults and \$56 for children.

With **New Orleans** on the rebound, Mardi Gras is sure to draw crowds, especially the weekend leading up to Fat Tuesday on Feb. 20. Most airlines serving New Orleans have returned to pre-Katrina service lev-

els, and hotels are open and eager for guests.

According to the Expedia.com survey<sup>2</sup> the three most popular types of spring break getaways include trips to exotic beaches (19%), road trips (13%) and cruises (11%). The fourth most popular vacation type is a historical, cultural or educational sightseeing tour (10%), possibly signaling a perception shift that spring break is a time for education and enlightenment.

## TRENDWATCH™ TIPS:

**Book spring break trips early** to find air/hotel/car availability and the best deals at the most popular spring break destinations (see chart p. 1).

**If you need a flight and hotel for your trip, book them together as a package for significant savings.** The best way to lock in a good deal on a top-rated resort during spring break and other peak travel times is to book air and hotel together on sites like Expedia.com, where customers save an average of \$220.

**Avoid ticket lines at Disney parks and other central Florida amusement parks by booking your tickets online before you travel.** You'll skip the lines before you enter the park, making you first in line for the rides. Also, when visiting the parks, try to arrive early in the morning to avoid long lines for transportation or occasional park sellouts. During the first two weeks of April, Disney World opens at 8 a.m. instead of 9 a.m. to accommodate peak crowds.

If you are seeking a great deal and have flexible travel dates, **consider a spring trip sometime during the April 15 to May 30 "shoulder season."** The crowds will dwindle,

prices soften and the weather can't be beat.

**TREND #2: UNSEASONABLY WARM TEMPERATURES IN PARTS OF THE U.S. EARLIER THIS WINTER COULD MEAN DEEPER DISCOUNTS IN WARM WEATHER DESTINATIONS LIKE FLORIDA AND THE CARIBBEAN. WARMER THAN AVERAGE WEATHER COULD ALSO BOLSTER MORE INTEREST IN SKIING AND BIG-CITY TRIPS THIS YEAR.**

According to the Expedia.com survey<sup>3</sup>, **most U.S. adults prefer beach vacations (29%) or cruises (20%) during the winter months**, followed by ski vacations (10%) or trips to big-city destinations (10%). But unusual weather patterns could have some travelers changing their preferences this winter.

When it's cold outside, travelers tend to flock to warmer travel destinations. But with **much of the country in a relatively balmy state earlier this winter, the urge to migrate south may not be as strong as normal.** If winter weather remains mild, less demand for warm-weather

## Top Domestic Destinations

1. Las Vegas
2. Orlando
3. Honolulu
4. New York
5. San Francisco
6. Maui
7. Miami
8. Chicago
9. San Diego
10. Los Angeles

Based on bookings by Expedia.com customers from January - March, 2006

# Expedia Travel Trendwatch™

vacations could translate into more aggressive late-winter discounting and an increase in last-minute deals in Florida, the Caribbean and Mexico, plus more interest in skiing or trips to big cities like Las Vegas or New York.

A warm winter in the eastern half of the country could also result in **a record season for western ski resorts as snow-seekers head to the Rockies** on news of multiple snowstorms. Overall, this season could end up breaking the record of 59 million skier visits in a season, set just last year, according to the National Ski Areas Association (NSAA). That's up 3.5 percent from the winter of 2004/05, and up 2.3 percent from the previous record set in 2002/03. In fact, the NSAA reports that the five best ski seasons ever have all occurred during the last six years.

Thankfully, skiers can rejoice in lower airfares to key ski hub cities like Denver and Salt Lake City. **Denver-bound skiers now enjoy service from low-fare airlines**, such as AirTran Airways and Frontier Airlines. As a result, leisure fares into Denver have dropped approximately 18 percent in recent months, according to Colorado Ski Country USA. More skiers are headed to the **mountains of Utah thanks to lower airfares and innovative marketing campaigns** such as the very popular Quick Start program, which offers

## Top Ski Resorts

1. Vail, Colorado
2. Jackson, Wyoming
3. Park City, Utah
4. Breckenridge, Colorado
5. Whistler, British Columbia

Based on bookings by Expedia.com customers from January– March, 2006

## Fastest Growing Ski Resorts

1. Alta/Snowbird, Utah
2. Whistler, British Columbia
3. Lake Tahoe, California/Nevada
4. Winter Park, Colorado
5. Banff, Alberta

Based on bookings by Expedia.com customers from 2005 to 2006

skiers arriving on morning flights into Salt Lake City a free lift ticket for their first day at certain nearby resorts. Another way travelers are saving on ski vacations is by booking online packages, which offer significant discounts to those willing to bundle air, hotel, car rental, lift tickets and ski/snowboard rental into a single purchase ([expedia.com/ski](http://expedia.com/ski)).

### QUICK FACT:

**The two most expensive ski lift tickets this year are found at Vail and Aspen, where single-day tickets run a cool \$85 and \$82, respectively.**

### TRENDWATCH™ TIPS:

**Check out sites** like [hotwire.com](http://hotwire.com), [expedia.com/sunny](http://expedia.com/sunny), or [expedia.com/ski](http://expedia.com/ski) for last-minute discounts on winter trips to sun or snow.

**This might be the winter to take to the seas because you'll find lower cruise prices and more availability.** If you have been considering a Caribbean cruise but have yet to board a ship, seven new cruise ships were christened in 2006 and nine more are scheduled to debut this year. Cruise pricing is softest this year in the Caribbean, while pricing for European or Alaskan itineraries remains firm.

**Look west for the best skiing conditions this winter.** Washington, Oregon and British Columbia have received the most snow so far this year, with nearly 100 percent of ski terrain open. Resorts in Wyoming, Colorado and Utah are nearly 100 percent open, while Northeast resorts in the U.S. and Canada are still waiting for the winter's first significant snowfall and struggling to stay open with snowmaking equipment. Online ski cams are also a great way to check snow conditions.

### Expect peak-season crowds at western ski resorts in late March

as spring breakers hit the slopes. You'll find smaller crowds, better weather and lower prices if you can plan your trip for late season – roughly April 1-15 – after which most ski resorts close.

**Don't like long lift lines? Pay for passage through special "fast lanes."** Other ways to avoid long lines include hitting the slopes during the early-morning hours or at night if the resort offers lighted slopes. Also, skiers on special resort-sponsored guided tours or taking lessons often get to cut to the head of a long line.

### TREND #3: DESPITE A WEAK U.S. DOLLAR AND CONCERN OVER NEW PASSPORT REQUIREMENTS, AMERICANS ARE INCREASINGLY INTERESTED IN INTERNATIONAL TRAVEL.

The U.S. dollar recently reached a **two-year low against the euro** and the British pound. It now takes about \$1.30 to buy €1 and nearly \$2 to buy £1. This means a single ride on London's subway (now £4) costs Americans nearly \$8. A €100 hotel room in Paris or Rome cost Americans about \$90 in 2002. In spring 2006, the same hotel room cost

# Expedia Travel Trendwatch™

about \$120. Today it costs about \$130.

Despite these increases, the Expedia.com survey<sup>4</sup> found that **38 percent of U.S. adults said that the exchange rate is not at all influential** when considering international travel and 62 percent of U.S. adults cited it as somewhat influential when considering travel. This could be a contributing factor in recent **increased interest in Eastern European travel**. The fastest growing destinations in Europe among Expedia customers are mainly Eastern European countries including Croatia, Albania, Yugoslavia and Slovakia, where the U.S. dollar still retains a lot of value.

Likewise, **recent changes in passport requirements do not appear to be dampening interest in overseas trips**. In fact, the U.S. State Department reports that the number of passports it will issue this fiscal year will increase to 16 million, compared to 12.1 million issued in fiscal 2006. **Today, 27 percent of Americans, about 80 million people, have a passport –nearly twice as many as 10 years ago.**

Effective Jan. 23, 2007, all U.S. citi-

zens or residents **entering the U.S. by air** from Canada, Mexico, the Caribbean, Central and South America or Bermuda are required to carry a passport. Previously, re-entry from certain nearby countries was allowed for U.S. citizens with only a driver's license and/or a birth certificate. Despite some confusion around the

Only 26 percent of U.S. adults said they are less likely to travel to these countries as a result of the new rules.

## **TRENDWATCH™ TIPS:**

**Book flights for summer trips to Europe now.** You'll find that round trip coach fares from most U.S. cities are slightly less than \$1000 now, but they will rise to nearly \$2000 as summer nears.

**Get a passport!** New passports cost \$97 and are good for 10 years. Having a passport on hand ensures the freedom to take advantage of a last-minute flight to Canada or spur-of-the-moment vacation to the Bahamas. Soon, passports will be required for those entering the U.S. by land or sea. Just do it. It's worth the \$10 per year! See [getapassportnow.com](http://getapassportnow.com) for more information.

**If you don't hold a passport, consider trips to Puerto Rico or the U.S. Virgin Islands.** Both of these sunny destinations are U.S. territories located three to four hours by air from many East Coast cities – no passport required.

### Top European Destinations

1. Paris
2. London
3. Rome
4. Amsterdam
5. Madrid
6. Dublin
7. Venice
8. Barcelona
9. Florence
10. Prague

Based on bookings by Expedia.com customers from March-April, 2006

new rules, 74 percent of U.S. adults say that they are equally (68%) or even more likely (6%) to travel by air to Canada, Mexico, Central and South America or the Caribbean, according to the Expedia.com survey<sup>5</sup>.

### Top International Destinations

1. Mexico
2. Canada
3. Bahamas
4. Jamaica
5. France
6. Dominican Republic
7. Aruba
8. Italy
9. U.K.
10. Spain

Based on bookings by Expedia.com customers in the 4th quarter, 2006

### Where In The World Are Americans Going?

2006 Destinations	% change from '05	Total passengers
1. Caribbean	+10%	4,417,985
2. Asia	+7%	3,825,142
3. South America	+6%	1,672,349
4. Oceania	+5%	601,082
5. Europe	+4%	10,197,735
6. Central America	+2%	1,773,281
7. Mexico	0%	4,272,468
8. Canada	-2%	3,021,284
9. Middle East	-9%	377,920
10. Africa	-11%	133,065

US Dept of Commerce, Preliminary U.S. Citizen Air Traffic to Overseas Regions, Canada and Mexico 2006

# Expedia Travel Trendwatch™

## GREEN TRAVEL GROWTH

Travel suppliers have been planting green travel seeds over the last year, many of which are coming to fruition as an increasing number of environmentally conscious travelers are responding. According to the U.S. Travel Data Center, **43 million U.S. travelers consider themselves “ecologically concerned.”** The Green Hotels Association reports that 70 percent of travelers say “yes” when asked if they would use bed and bath linens more than once to help conserve resources.

Amid the rise in the American consciousness of global warming, consumers are seeking new ways to minimize the environmental impact of their everyday activities – including travel. One solution gaining momentum is carbon offsets, carbon dioxide reduction measures used to help cancel out the greenhouse gas emissions that lead to global warming. Last August, Expedia.com began offering **carbon offsets to its customers who want to balance out the carbon emissions created by their flights** (participation starts at \$5.99 per flight). Since launching in partnership with TerraPass, the Expedia.com program has become the most successful consumer voluntary carbon offsets program in the world, with **Expedia travelers opting to purchase enough carbon**

**offsets to balance out more than 20 million pounds of CO<sub>2</sub> – the equivalent of nearly 20,000 cross-country flights.**

### **DID YOU KNOW:**

**The average cross-country trip in a commercial aircraft burns about 100 gallons of fuel per passenger and creates nearly 2,000 pounds of CO<sub>2</sub> per passenger.**

<sup>1</sup>Harris Interactive fielded the online survey on behalf of Expedia.com between December 27 and December 29, 2006, among a nationwide sample of 2,757 adults 18 years of age or older. Sampling error of the overall results is plus or minus three percentage points. This online sample is not a probability sample.

<sup>2</sup>Expedia.com survey conducted by Harris Interactive in December 2006.

<sup>3</sup>Expedia.com survey conducted by Harris Interactive in December 2006.

<sup>4</sup>Expedia.com survey conducted by Harris Interactive in December 2006.

<sup>5</sup>Expedia.com survey conducted by Harris Interactive in December 2006.

Expedia Travel Trendwatch is frequently cited by media such as Good Morning America, *The Wall Street Journal*, *Money Magazine*, CNN, and others as an expert source of travel trend information and advice. If you'd like to interview editor Chris McGinnis, contact Erin Krause at [press@expedia.com](mailto:press@expedia.com).



## **INSIGHT AND EXPERTISE**

Chris McGinnis, a 20-year travel industry veteran most recently serving as a travel correspondent on CNN Headline News, is the editor of the Expedia Travel Trendwatch™. Each report provides travelers with a treasure trove of trends, data and advice designed to help people make better travel decisions.

McGinnis's travel industry insight and expertise, coupled with the unparalleled travel intelligence of Expedia®, can be found throughout this report, arming travelers with an invaluable source of insider knowledge on travel trends.