

GLOBAL TRAVEL TRENDS REPORT

DECEMBER 2013

INTRODUCTION

By pairing findings from a survey of more than 2,600 participants in 80+ countries with data from more than 250,000 U.S. and global travel transaction bookings, Last Minute Travel Club, a subsidiary of Travel Holdings, Inc., is able to report on the travel trends and preferences of leisure and business travelers around the world.

The 2013 Global Travel Trends Report is designed to provide insight into the travel and tourism industry, including why people travel, their booking preferences and more. Let's take off!

KEY SURVEY FINDINGS INCLUDE

- 99% of the respondents said they take at least one personal trip per year, while 52% said they take at least one business trip per year.
- 90% of respondents said they prefer to book trips online, compared to a travel agent, mobile app or mobile web browser.
- 75% of respondents said they have a hotel budget of \$150 or less per night.
- 72% of respondents indicated they plan to travel for at least one holiday this year.
- Price (39%), promotions (18%) and location (18%) are the three decision factors that matter most when booking a hotel.
- Only 2% of respondents never book a hotel when they travel. Over half (53%) book hotels for more than 90% of their trips.

REPORT METHODOLOGY

The 2013 Global Travel Trends Report combines data from an online survey with insight from Last Minute Travel's ecommerce website (www.lastminutetravel.com).

ONLINE SURVEY

The online survey was completed by 2,642 respondents. The survey was promoted via the Last Minute Travel, Easy Click Travel (www.easyclicktravel.com) and Last Minute Travel Club (www.lmtclub.com) websites, social media accounts and email campaigns in September 2013. Due to the nature of the population sample, data may be biased toward web-savvy travelers.

The survey consisted of 16 questions regarding booking habits, travel preferences and travel behavior. Results were compiled in October 2013. General population data has an accepted margin of error of 2% with a confidence level of 97%.

Respondents came from 84 different countries. Leading countries represented include the United States (64%), United Kingdom (8%), Canada (7%) and Australia (3%).

There was a fairly even split among males and females, at 46% and 54% respectively. Participants also varied in age; a breakdown by percent is included below.

Age	18-24	25-34	35-44	45-54	55-64	65+
Percent	4%	21%	22%	25%	21%	8%

Note that gender- and age-specific data in this report is limited to smaller sample sizes based on respondent demographics. Of respondents, 1,211 were male and 1,429 were female. There was a minimum of 100 respondents in each age group.

BOOKING DATA

Survey findings were supplemented by data from individuals who shopped for and purchased travel accommodations through www.lastminutetravel.com. This data is derived from more than 250,000 bookings.

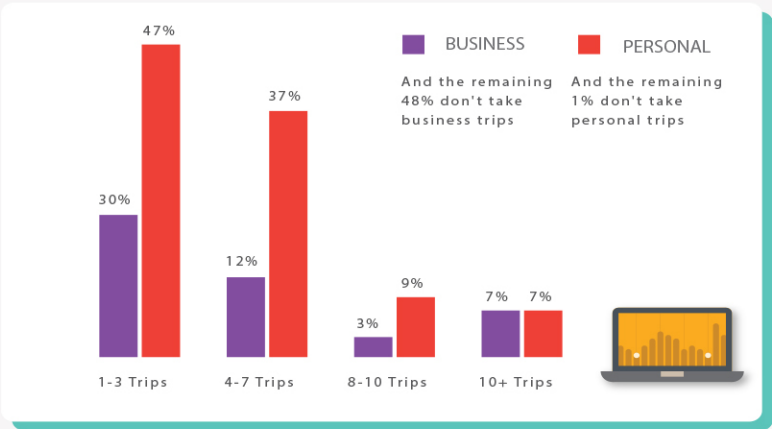
INSIDE THE TRAVELER

This section provides insight into why people pack up and go, as well as popular destinations.

BUSINESS VS. PERSONAL TRIPS

More people take personal trips each year than they do business ones.

In fact, 99% of survey respondents said they take at least one personal trip each year, compared to only 52% on the business side.



THE IMPACT OF AGE ON TRAVEL

When are people in their prime traveling years? What ages do they typically travel the most?

BUSINESS TRAVEL

People between the ages of 25-34 are most likely to travel for work, with 62% going on at least one work-related trip annually. Business travel peaks for people between the ages of 25-34, and then gradually decreases as a person ages.

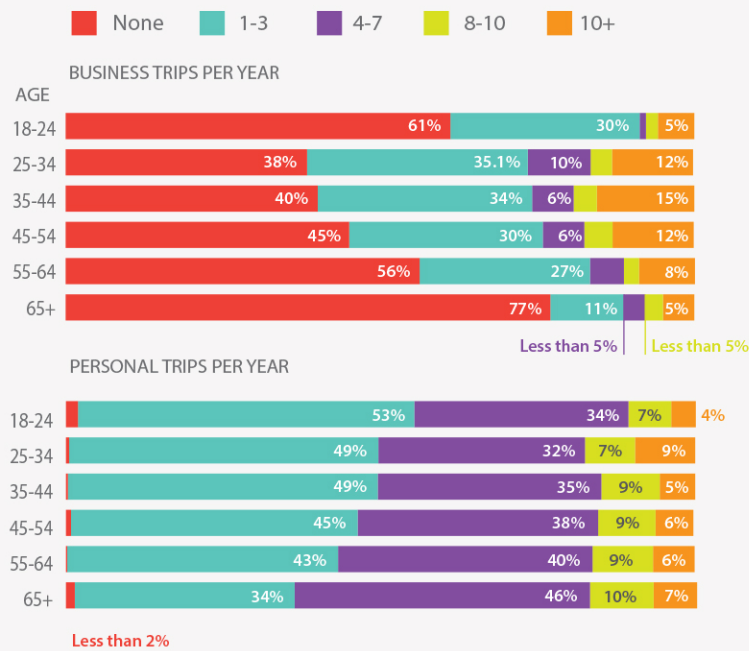
Younger (18-24) and older (65+) audiences are less likely to travel for business. This fits the average work cycle. Those between the ages of 18-24 are most likely in school or just beginning their careers, whereas, those between 25-44 are in their working prime.

Only 23% of respondents over the age of 65—the standard retirement age—travel for business each year.

PERSONAL TRAVEL

As a person ages, they tend to take more frequent personal trips. Sixty-four percent of those aged 65 or older take more than four personal trips per year. This is a minimum of 7% more than any other age group.

The correlation between age and number of personal trips likely results from more expendable income and downtime as individuals get older.



PREFERRED VACATION TYPES

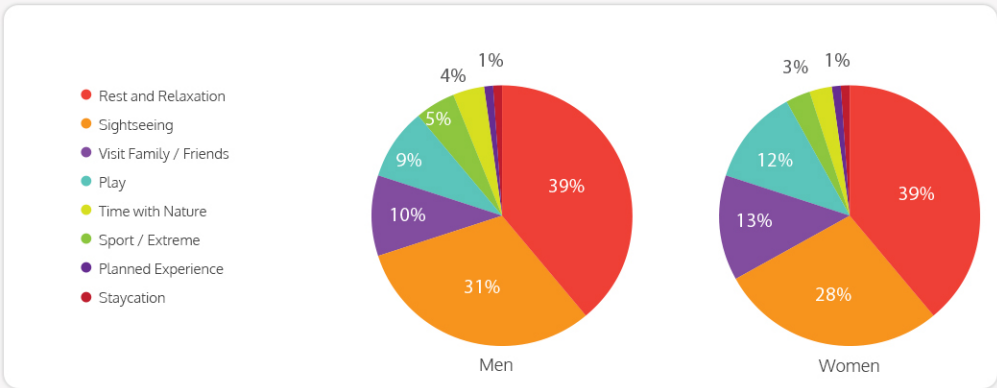
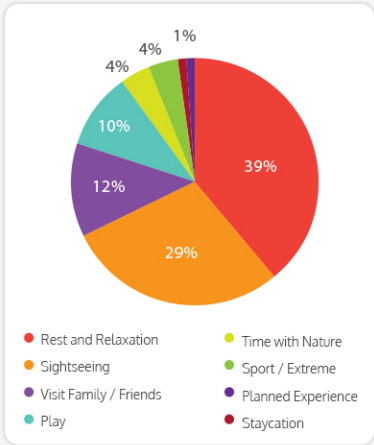
We chose eight different types of vacations and asked the respondents to select their preference. The eight types of vacations, and descriptions offered within the survey, include:

- Visit family/friends—trips to visit family and friends
- Play—i.e. theme parks and water parks
- Rest and relaxation—i.e. beaches, pools, lounging
- Planned experience—volunteer work or religious/mission-based trips
- Time with nature—i.e. hiking, camping, canoeing
- Sports/extreme—any trip relating to a sporting event or extreme sporting hobby
- Stay-cation—any close-to-home trips
- Sightseeing—i.e. museums, monuments, historical sites

The two most popular types of vacation based on percentage of survey responses were rest and relaxation (39%) and sightseeing trips (29%).

For the most part, vacation type preferences are age agnostic. Every age group, except those aged 65 or older, said rest and relaxation was their preferred prototype vacation. Senior citizens cited sightseeing trips (43%) as their top choice.

We’ve all heard the phrase: “Men are from Mars; women are from Venus.” But do men and women prefer the same type of vacation? According to our respondents, men and women are on the same page when it comes to their preferred vacation. Both genders picked rest and relaxation trips over all other types.



MOST POPULAR DESTINATIONS

Based on flights booked, the top ten travel destinations based on all global consumers in the last 12 months are:

1. Las Vegas, Nevada
2. London, England
3. New York, New York
4. Paris, France
5. Miami, Florida
6. Orlando, Florida
7. Honolulu, Hawaii
8. Madrid, Spain
9. Berlin, Germany
10. Chicago, Illinois



HOLIDAY TRAVEL

‘Merry Christmas! Happy Thanksgiving! Happy New Year!’

Travel has become a natural staple of the holidays we love to celebrate. It’s no secret that holidays tend to be among the busiest travel periods each year.

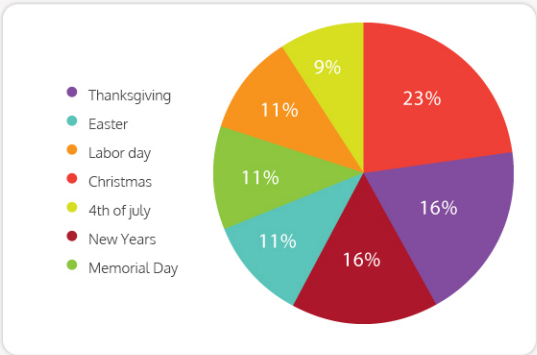
Media attention often focuses on crowded airports, expected delays and over-booked hotels.

Even some of pop culture’s most popular films revolve around holiday travel. Consider classics such as Home Alone, and Planes, Trains and Automobiles, as examples.

The hype is justified. Seventy-two percent of people indicated that they plan to travel for at least one holiday in the next 12 months.

The top three holidays for travel includes Christmas (23%), Thanksgiving (19%) and New Years (16%).

The remainder may be more evenly spread than you may think, varying only by two percentage points.

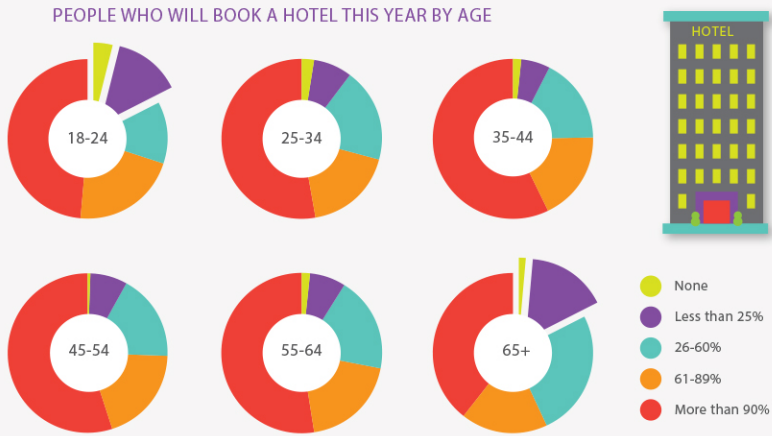


THE HOTEL LIES AT THE HEART OF TRAVEL

The hotel is still at the heart of the travel experience. For decades, hotels and motels have been the lodging option of choice for billions of travelers. But with an increased interest in vacation rental homes, bed and breakfasts, and memberships to online travel networks like Couchsurfing.org, one could speculate that hotels may see decreases in bookings.

Yet, 98% of respondents said they would book a hotel for at least one trip this year. A little more than half (53%) of survey respondents indicated that they book a hotel for 90% or more of their trips. In looking at actual booking data, perceptions are close to reality. Eighty-seven percent of Last Minute Travel transactions in the past 12 months included a hotel.

Age does, however, play a small role in whether a traveler will book a hotel. Those under the age of 25 and those over the age of 65 are least likely to book a hotel when they travel. In both age ranges, 18% book a hotel less than 25% of the time or never at all. Anecdotally, we see both groups stay more often with relatives, the under 25s with adults, and the over 65s with children and grandchildren.



Taking it a step further, we wanted to find out what factors most impact decisions when booking a hotel. What we discovered is rather interesting.

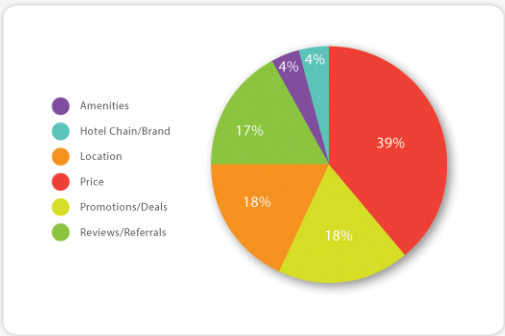
THE HOTEL BRAND CARRIES LESS WEIGHT

Despite the millions of dollars hotels spend each year on brand marketing, just 4% of travelers choose their hotel based on its brand.

This, in combination with how important price is to choosing a hotel, explains why the popularity of opaque hotel booking sites like LastMinuteTravel.com are soaring.

An opaque hotel is one which does not reveal its name, but instead uses a description like “three-star motel in Union Square” until it is booked.

Price (39%), promotions (18%) and location (18%) are the three decision factors that matter most to customers when booking a hotel.



Price is consistent among all age groups too—making it the most powerful deciding factor when booking a hotel.

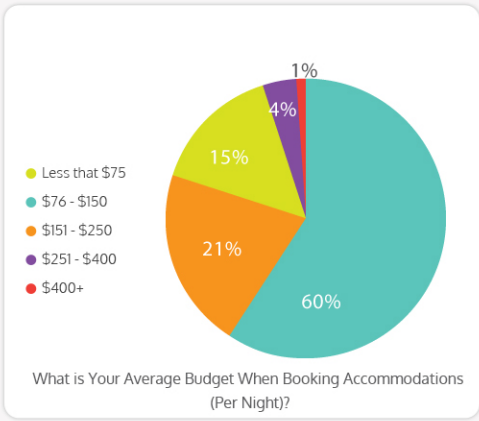
That means that more than half of the respondents (57%) book based on a price-related factor—either price itself or a promotion.

HOTEL BUDGETS VS. ACTUAL MONEY SPENT

In order to get an accurate account idea of the average amount of money spent on hotels, we compared the answers of survey respondents to Last Minute Travel booking data.

Ninety-six percent of survey respondents said they have a travel budget of \$250 or less when booking hotel accommodations per night. Seventy-five percent of people said they have a hotel budget of \$150 or less.

Survey responses match actual bookings. LastMinuteTravel.com booking data shows that the average daily rate of a hotel is \$134, and the average total price for the entire trip is \$310. In looking at LastMinuteTravel.com hotel bookings, 91% had a daily rate of \$250 or less in the last 12 months.



BOOKING PREFERENCES

Gone are the days of advanced planning and travel agents, today’s travelers are much more flexible and tech savvy when it comes to their booking preferences.

HOW FAR IN ADVANCE ARE TRIPS BOOKED?

No one likes feeling unprepared, especially when it comes to planning and booking trips. As such, a common misconception might be that people always book hotels and flights far in advance. Even our survey respondents supported this statement. Sixty-nine percent said they book more than one month in advance, and 23% more than three months in advance.

Yet, booking data suggests otherwise: Half of travelers book their flights 7 days or less before their trip, and half book their hotels 15 days or less. Travelers may think they are booking ahead, but statistics show how prevalent last minute booking really is.

WHAT PEOPLE THINK:

No one likes feeling unprepared, especially when it comes to planning and booking trips.



69% SAY they book 1 month in advance



23% SAY they book 3 months in advance

WHAT PEOPLE DO:

Yet, booking data suggests otherwise:



50% of travelers book their flight 7 days or less before their trip



50% of travelers book their hotel 15 days or less before their trip



NO RUSH TO PLAN THE PERFECT STAY-CATION

Does the type of vacation affect the booking timeline? We found that most people claim to book vacations, regardless of type, one to three months in advance.

That being said, stay-cations tend to be booked more last minute than any other trips. Just over 43% of stay-cations are booked one week or less in advance. This shouldn’t come as a huge shock, as most stay-cations don’t require a hotel or flight, or significant travel planning.

PREFERRED WAY TO BOOK

We live in a digital age. We connect to friends and family online. We bank online. We even buy and trade stocks online. The same digital trend applies to travel bookings.

The overwhelming majority (90%) of people said they prefer to book trips online.* But the older someone is, the more likely they are to book offline. The younger someone is, the more likely they are to book using a mobile app or mobile web browser.

Age	Offline	Mobile App	Mobile Web	Online
18-24	1%	10%	5%	85%
25-34	2%	4%	5%	89%
35-44	2%	5%	4%	90%
45-54	2%	4%	3%	91%
55-64	4%	2%	2%	92%
65+	6%	1%	1%	92%

* Note: Data may be skewed slightly high due to the population sample used to compile this report, as participants were solicited online.

STRATEGIES TO SNAG THE BEST HOTEL PRICE

We know that price is the number one factor when making a decision on which hotel to book. Knowing where and how to look online can greatly improve the odds of finding the best hotel rates available. Here are a few useful tips to find the best bargains.

BE FLEXIBLE WITH TRAVEL DATES

Hotel rates can vary based on time of year, day of the week and vacancy. If your calendar permits a bit of flexibility, try looking for hotels during slower, less popular seasons. Keep in mind that weekdays like Mondays and Tuesdays tend to be available more often at cheaper rates than Fridays or Saturdays. Note: This is not a hard-and-fast rule, but it seems to be the trend with most hotels.

BOOK BY PRICE, NOT BRAND

If you are like the 75% of respondents who said price, promotions and location are the three most important deciding factors to booking, then consider shopping for an opaque hotel deal. While you won't know which hotel you are staying in until it's booked, you will get a lower price, and can compare locations and star-ratings.

SIGN UP FOR CLUB MEMBERSHIPS

Travel club memberships, such as [Last Minute Travel's LMTClub.com](http://LastMinuteTravel'sLMTClub.com), can save you a considerable amount of money. Most club memberships offer exclusive hotel rates.

Just be cautious of travel clubs that are not attached to a reputable travel company. Do your homework, and research all club membership offers before signing up.

CONSIDER PACKAGE DEALS

Even if you originally did not consider pairing a hotel with a flight or a rental car, some package deals offer better discounts than what you would get by booking them separately. Shop around and keep a calculated tab of what each option would cost.

Once you've compiled information from a few different package deals, compare and contrast. You may just find that you can save some money and not compromise quality.

ABOUT LAST MINUTE TRAVEL CLUB

Last Minute Travel Club (www.LMTClub.com) and its sister brands are wholly owned subsidiaries of Travel Holdings, Inc.

Last Minute Travel Club is America's first travel price club. This members-only travel club provides behind-the-scenes savings of up to 65% on each hotel booking made through the site. Each member who has made a hotel reservation since joining has saved more than the year's membership fee on his or her first purchase alone.

ABOUT TRAVEL HOLDINGS, INC

Travel Holdings, Inc. (www.travelholdings.com) is one of the most distinctive and expansive travel distribution companies in the world.

Created in 2004 through the merger of Tourico Holidays, LastMinuteTravel.com and Travel Global Systems (TGS), Travel Holdings, Inc. utilizes proprietary technology to supply travel inventory at competitive pricing to all segments of the online travel industry, including retail, wholesale, group, travel agents, corporate and affiliates.

The company's core asset is its merchant hotel network, which exceeds 15,000 individual properties throughout North America, Europe, South America and Asia Pacific, supplemented with dynamic packaging from contracts with leading airfare, cruise, car, attraction and transfer suppliers.

