
Economic Downturn Changing the Way People Travel

People still taking vacations, but taking shorter ones - business travel less likely

ROCHESTER, N.Y. – April 29, 2009 – From bargain hunting for accommodations to hopping in a car instead of on a plane, many individuals and companies are responding to the uncertain economic climate and worse personal financial conditions by adjusting their travel behaviors in 2009 to find more affordable ways to travel, but many aren't eliminating travel plans altogether.

In a recent poll conducted by Harris Interactive, 48% of U.S. adults say their financial situation is worse now than it was one year ago. For some that is translating into plans for fewer vacations and fewer dollars spent on leisure travel in 2009.

While almost half plan to travel just as much or more in 2009 as they did in 2008, two-fifths (38%) anticipate that the economy will have no impact on their travel plans, and 8% plan to travel more in the next 12 months than they did in 2008, nearly two-fifths (37%) of consumers say they are less likely to travel within the next 12 months due to economic conditions.

Other findings from the study include:

- Over one-fourth (27%) will decrease the duration of their leisure trips.
- Four in ten (40%) will reduce the amount of money they spend on leisure trips. Among these consumers looking to cut costs:
 - Roughly three-fifths will find less expensive accommodations (62%), less expensive meal options (61%), or will look for less expensive activities (58%).
 - Nearly half will reduce travel expenses by vacationing closer to home (48%), staying with friends/family instead of a hotel (46%), or reduce expenses by driving rather than flying (45%).
 - One-third (34%) will stretch their vacation dollars by going on a "staycation" close to home or by sharing travel costs with friends or other families.

Companies are also changing their travel spending habits in 2009. Three in five (61%) people surveyed said their companies had changed their travel policies in last 12 months, and one in five (21%) said they were less likely to travel for business in 2009 than they were in 2008.

Reducing or eliminating nonessential travel was the most frequently reported method of cutting business travel expenses. Three in ten people (30%) reported that their companies had reduced or eliminated all nonessential travel, and 21% said their companies were using technology to reduce or eliminate travel costs. Other reported changes to company travel policies include encouraging day trips (13%), booking with

hotels and airlines that provide preferred rates (12%), and enforcing per diem allowances (10%).

According to Allison Powell, Research Director of Harris Interactive's Travel and Tourism practice, "The recent economic conditions of a declining U.S. dollar, mortgage foreclosures, and job losses are giving many consumers reason to reevaluate their vacation plans. The good news is that travelers are still taking vacations; however, the nature of their vacations has changed. From finding less expensive accommodations to taking a road trip rather than flying, consumers are finding ways to continue taking vacations. The question remains – how long will this trend last?"

This fall, Harris Interactive will release research which will provide our industry with forward-looking insights into consumer travel plans over the next twelve months.

**TABLE 1
CHANGE IN FINANCIAL SITUATION**

"How has your personal financial situation changed, if at all, during the past 12 months? Would you say it is...?"

Base: All U.S. adults

	Total
	%
Much better	3
Somewhat better	10
About the same	36
Somewhat worse	32
Much worse	16

Note: Percentages may not add up exactly to 100 percent due to rounding and 3% decline to answer.

**TABLE 2
CHANGE IN DURATION OF LEISURE TRIPS**

"Compared to your travel in the past 12 months, how will your outlook on the U.S. economy impact the leisure travel you anticipate taking within the next 12 months?"

Base: Took leisure trip within past year

	Increase	Remain the Same	Decrease
	%	%	%
Number of leisure trips by car	16	62	22
Number of leisure trips by plane	6	51	44
Number of weekend trips	10	58	31
Duration of leisure trips	7	66	27
Amount spent on leisure trips	8	52	40

Note: Percentages may not add up exactly to 100 percent due to rounding.

**TABLE 3
HOW LEISURE SPEND WILL BE REDUCED**

“Which of the following actions, if any, do you anticipate you will take in order to reduce your leisure travel spending within the next 12 months?”

Base: Plan on decreasing spending

	Total
	%
Find less expensive accommodations	62
Find less expensive meal options	61
Find less expensive activities	58
Reduce travel expenses by vacationing closer to home	48
Stay with friends or family instead of a hotel	46
Reduce travel expenses by driving instead of flying	45
Cook my own meals while on vacation instead of dining out	38
Take a “staycation” (staying at home during my vacation instead of traveling somewhere else)	34
Share costs with other family members/friends	34
Reduce travel expenses by taking a bus or a train	13
“Naycation” – I will not take any leisure trips in the next 12 months	9
None of these	4

Note: Multiple Responses Allowed

**TABLE 4
LIKELIHOOD TO TRAVEL FOR BUSINESS IN FUTURE**

“How does your outlook on the U.S. economy impact your likelihood to travel for business purposes within the next 12 months?”

Base: All U.S. adults

	Total
	%
Plan to travel (NET)	51
I am much more likely to travel	2
I am somewhat more likely to travel	2
No impact on my likelihood to travel	27
I am somewhat less likely to travel	7
I am much less likely to travel	14
I have no plans to travel	49

- Note: Percentages may not add up exactly to 100 percent due to rounding.

TABLE 5
CHANGES IN BUSINESS TRAVEL

"Which of the following changes, if any, has your company made to its travel policy within the past 12 months?"

Base: Traveled for business in the past year

	Total
	%
Company has travel policy (NET)	79
Company has made changes to travel policy (Subnet)	61
Reduction or elimination of all "non-essential" travel	30
Encourage the use of technology (e.g., teleconferencing, video conferencing) in order to reduce/eliminate travel	21
Encourage day trips in order to reduce/eliminate the need to pay for overnight accommodations	13
Encourage/Enforce employees to only book at hotels/with airlines that provide the company with preferred rates	12
Enforce/Establish per-diem meal allowances (the amount of money an employee will be reimbursed for meal expenses)	10
Reduction/Elimination in the amount I am permitted to spend entertaining clients	9
Begin booking travel through an online travel agency (e.g., Expedia, Travelocity) in order to avoid paying travel agency fees	9
Encourage/Enforce coworkers to share a hotel room/suite	8
Enforce limits on what I am permitted to spend for overnight accommodations at a hotel	7
Other	8
Not sure	13
My company has not made any changes to its travel policy	19
My company does not have a travel policy	21

Note: Multiple responses allowed

TABLE 6
LIKELIHOOD TO TRAVEL FOR LEISURE IN FUTURE

"How does your outlook on the U.S. economy impact your likelihood to travel for leisure purposes within the next 12 months?"

Base: All U.S. adults

	Total	Gender		Annual Household Income			
		Male	Female	Less than \$35K	\$35K - \$49.9K	\$50K - \$74.9K	\$75K +
		%	%	%	%	%	%
Plan to travel (NET)	82	85	80	69	80	86	90
I am much more likely to travel	3	5	2	2	4	6	4
I am somewhat more likely to travel	5	6	3	5	3	5	5
No impact on my likelihood to travel	38	40	35	26	32	38	45
I am somewhat less likely to travel	22	20	24	18	21	22	25
I am much less likely to travel	15	14	16	17	19	15	11
I have no plans to travel	18	15	20	31	20	14	10

Note: Percentages may not add up exactly to 100 percent due to rounding.

Methodology

This survey was conducted online within the United States by Harris Interactive from February 5 to 9, 2009 among 2,665 adults. Figures for region, age within gender, education, household income, and ethnicity were weighted where necessary to bring them into line with their actual proportions in the population.

About Harris Interactive

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