

 Ontario



The Trip-Planning Behaviour of American Travellers And The Causes of Last-Minute Bookings

**Ministry of Tourism & Recreation
Tourism Branch
June 2005**

Introduction

This report is extracted from the database of the Travel Intentions study that the Ministry of Tourism and Recreation has been conducting for almost 2 years now. Specifically, it is based on a number of trip-planning questions that were asked during the February 2005 wave.

The total US sample of the study is 3,816 of which 2,875, or 75%, are defined in this report as “travellers” because they have taken at least one overnight trip over the past 2 years, or intend to take an overnight trip over the next 12 months or both.

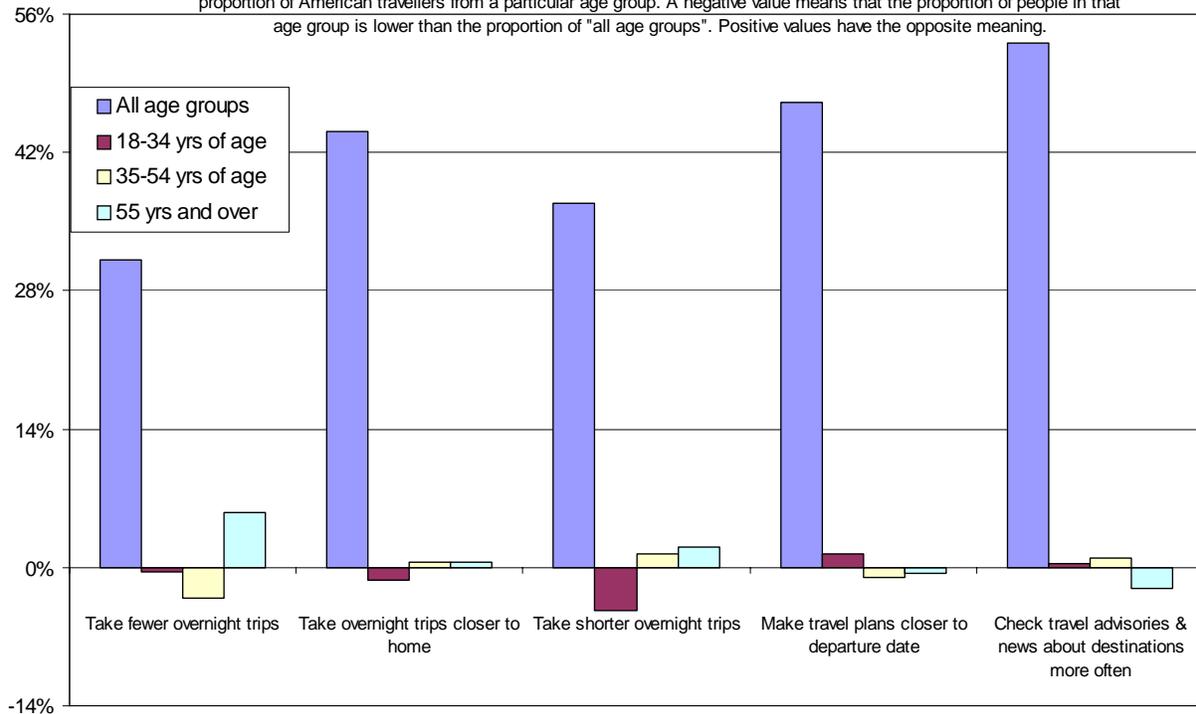
Although this reports talks about “American travellers”, the study covers only the following US states:

- New York State
- Pennsylvania
- Ohio
- Indiana
- Michigan
- Illinois
- Wisconsin
- Minnesota
- Massachusetts
- Washington DC/ Maryland

"How, if at all, have your travel patterns changed over the last 2 years?"

American Travellers

Note: The blue bars in the graph represent the proportion of American travellers who indicated that they engage in the activity described in the graph. The other bars represent the difference between the blue bar and the corresponding proportion of American travellers from a particular age group. A negative value means that the proportion of people in that age group is lower than the proportion of "all age groups". Positive values have the opposite meaning.

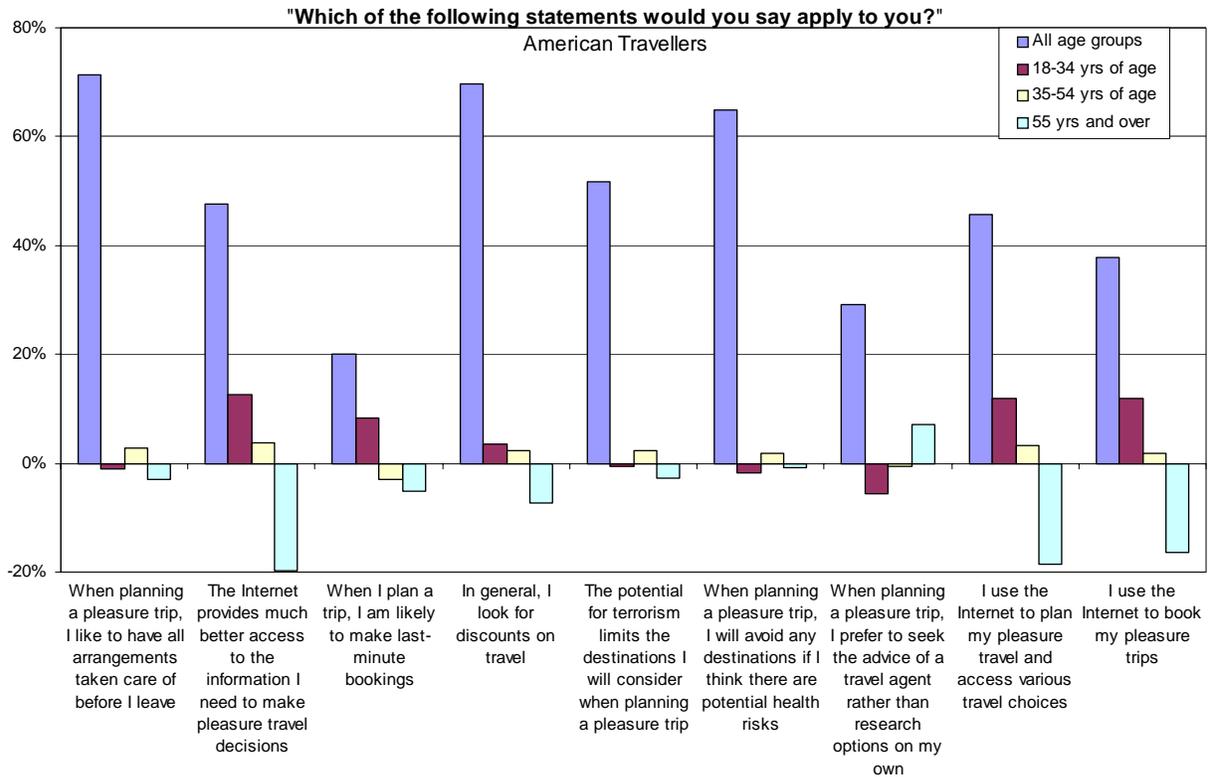


❖ Compared to 2 years ago, American travellers are now more cautious:

- ✚ 31% take fewer overnight trips than they used to do
- ✚ 44% take overnight trips closer to home than they used to do
- ✚ 37% take shorter (in duration) overnight trips than they used to do
- ✚ 47% make travel plans closer to departure date than they used to do, and
- ✚ 53% check travel advisories and news about destinations more often than they used to do

❖ ...But small behavioural variations exist depending on the age of the traveller:

- ✚ A higher proportion of older American travellers (55 years of age and older), compared to the other two age groups, has reduced the frequency of their trips
- ✚ A smaller proportion of young travellers (18 to 34 years old), compared to the other two age groups, take shorter trips
- ✚ A higher proportion of young travellers, compared to the other two age groups, make travel plans closer to departure date

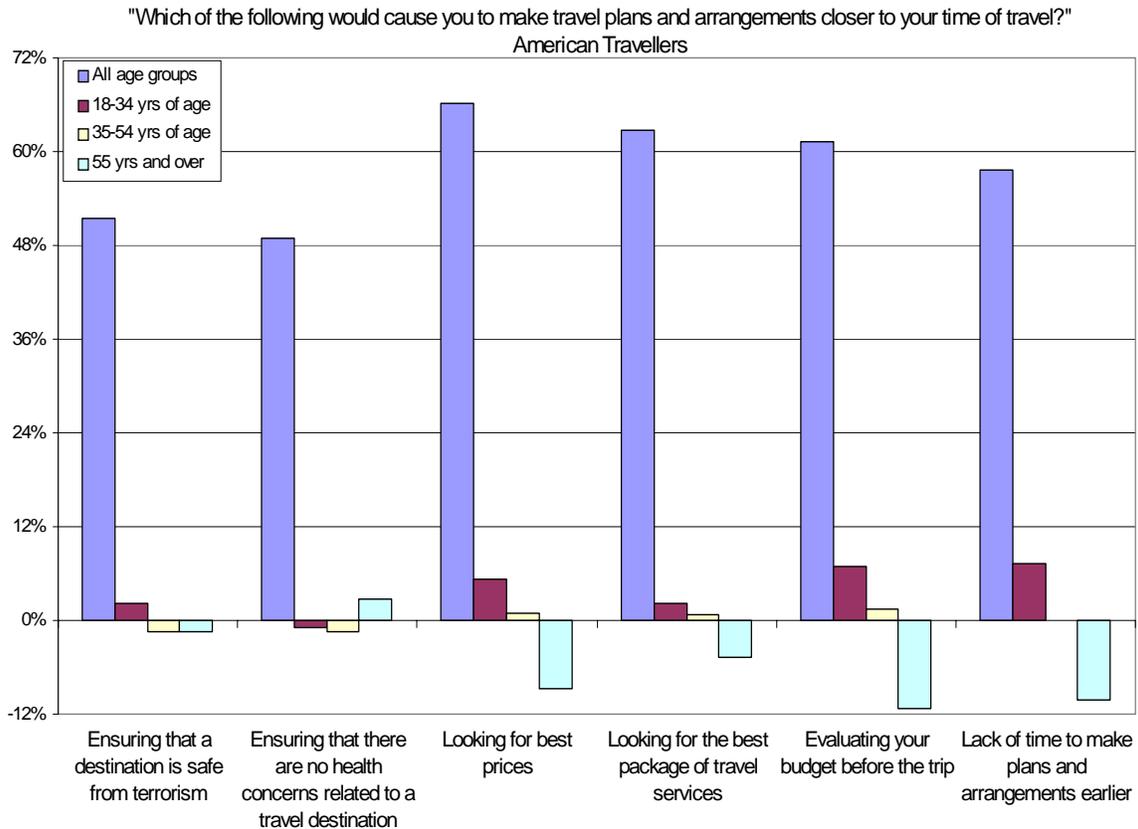


❖ **Among American travellers:**

- ✚ 74% prefer to have all travel arrangements done prior to departure
- ✚ 67% believe that for travel decisions, the Internet provides better access to the information they need than other sources
- ✚ 64% use the Internet to plan their pleasure trips
- ✚ 54% actually book their pleasure trips over the Internet
- ✚ 25% are likely to make last minute bookings when planning a trip
- ✚ 22% prefer the advice of travel agents instead of doing their own research
- ✚ 77% look for travel discounts
- ✚ 54% indicate that the potential of terrorism limits the destinations that they will consider for a pleasure trip
- ✚ 66% indicate that when planning a trip they avoid destinations with potential health risks

❖ **...And this time the traveller's age matters:**

- ✚ Significant variations exist between older and younger American travellers regarding access or use of the Internet
- ✚ Compared to the other two age groups, young American travellers are more likely to make last minute bookings.



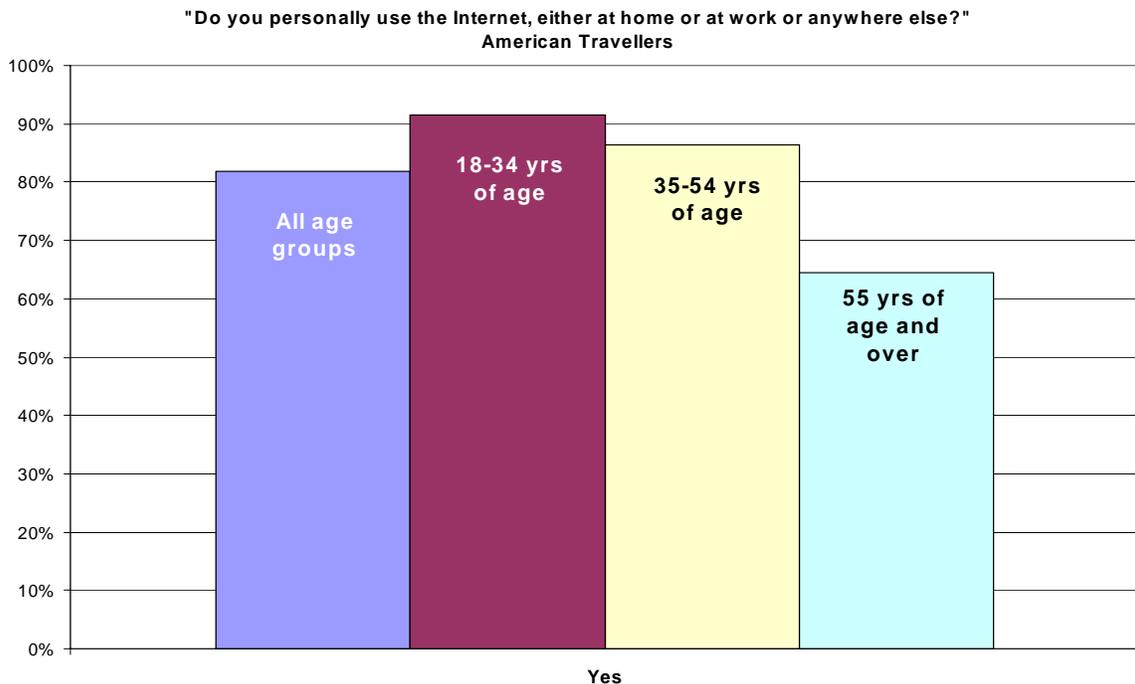
❖ **Overall, 66% of American travellers either prefer to make last-minute bookings or they have changed their behaviour over the last 2 years and are now making travel plans closer to departure date.**

❖ **Here is what causes them to do so:**

- ✚ Fear of terrorism: 51% want to make sure that the destination is safe from terrorism
- ✚ Fear of diseases: 49% want to make sure that the destination is free of health concerns
- ✚ Waiting for price reductions: 66% are looking for last minute price reductions
- ✚ Waiting for better package deals: 63% are looking for best travel package
- ✚ Affordability: 61% are trying to manage the trip costs and their finances to make sure they can afford it
- ✚ Lack of time to plan: 58% don't have time to spend on planning the trip or making the arrangements

❖ **In summary, the Internet and an uncertain, health-wise, world are the main culprits responsible for last-minute bookings.**

- ✚ Since affordability and lack of time due to work or social obligations have always been issues that travellers were faced with, they cannot be the causes of the growth in last-minute bookings.
- ✚ Terrorism has also been around since the early 70s, but its activities were restricted mainly in Europe or the Middle East. It was only Sept 11 that made terrorism an every day phenomenon for the Americans, while SARS increased North Americans' awareness and fears of widespread infections caught while travelling.
- ✚ Although the Internet itself is not causing last-minute bookings, it permits economic agents to react to existing or anticipated market conditions much faster than before. Namely, it has made it infinitely easier for suppliers to post last minute price reductions or packages on the web when demand falls short of supply and has also made it infinitely easier for consumers to check these postings. Since consumers find that their expectations of last minute price reductions are always true, they withhold their demand until prices decline and, since suppliers respond to this lack of demand by lowering prices, reduced prices become a reality. Only when consumers find their expectations to be incorrect will they re-think their approach to travel planning.



❖ **And how pervasive is the use of the Internet among American travellers?**

- ✚ 82% personally use the Internet either at home or work (as opposed to 75% among the general adult US population)
- ✚ As expected, this proportion is higher among young American travellers (92%), and lower among older American travellers (65%)

❖ **And what kind of things do American travellers who use the Internet do while on the net?**

- ✚ By far the highest use of Internet is to research travel destinations (80%), followed by researching “other aspects of a trip” (73%) and purchasing goods or services not related to travel (69%).
- ✚ Purchasing goods and services not related to travel is more common than purchasing any single tourism-related product or all of them as a group (63% purchased either transportation or hotels or any other aspect of a trip). On the other hand, purchasing tourism-related products on the Internet is almost as large as purchasing all other goods and services put together.
- ✚ With the exception of “Received travel information such as newsletters”, older American travellers have lower utilization rates of any of the above mentioned items than the other two age groups of travellers.

"Which, if any, of the following things have you done online within the past 12 months?"
American Travellers who use the Internet

