

The American Leisure Travel Market

Arthur Frommer's Budget Travel



The Frommer Legacy



- Launched in 1955 with *Europe on \$5 a Day*
- Today more than 250 titles published

Vacations for Real People



- Launched in 1998 by Arthur Frommer
- Purchased by *Newsweek* in 2000
- Publishing 10x/year
- 600,000 copies sold per issue

Budget Travel Editorial



Budget Travel

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Today's American Traveler

American Household Incomes

- Median Income: **\$41,946**
- Income of \$100k or more: **12.3%**
- Income of \$100k or less: **87.7%**
- Incomes between \$50K and \$100K: **29.6%**

Source: US Census Bureau, Census 2000; 2006 MRI Spring

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Today's American Traveler

- American household incomes of \$100K per year or less spent more than **\$38.6 billion** on foreign vacations
 - 50% more than the \$100K+ segment
- Americans who own a valid passport living in households earning under \$100K: **39 million**
- Americans who own a valid passport living in households earning \$100K+: **19.7 million**

Source: US Census Bureau, Census 2000; 2006 MRI Spring

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Today's American Traveler

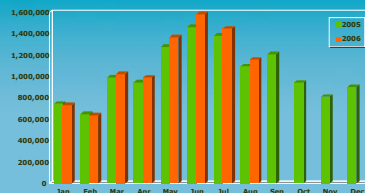
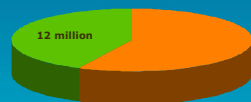
- 80%** leisure travelers HHI < **\$100K**
- 20%** leisure travelers HHI > **\$100K**



Source: YBP&R/Yankelovich 2006 National Leisure Travel Monitor study

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Europe is Top with Travelers



Source: Spring MRI 2006; Office of Travel and Tourism Industries

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- Of the more than **28 million** Americans who traveled outside of North America in 2005, more than **12 million of them were headed to Europe**
- As of August 2006, nearly **9 million** Americans visited Europe
- a **5% increase** over 2005

Targeting the Boomer Generation

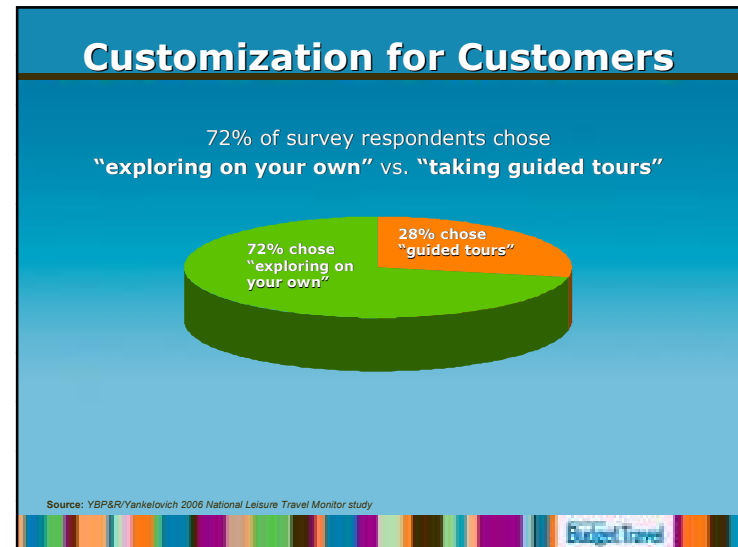
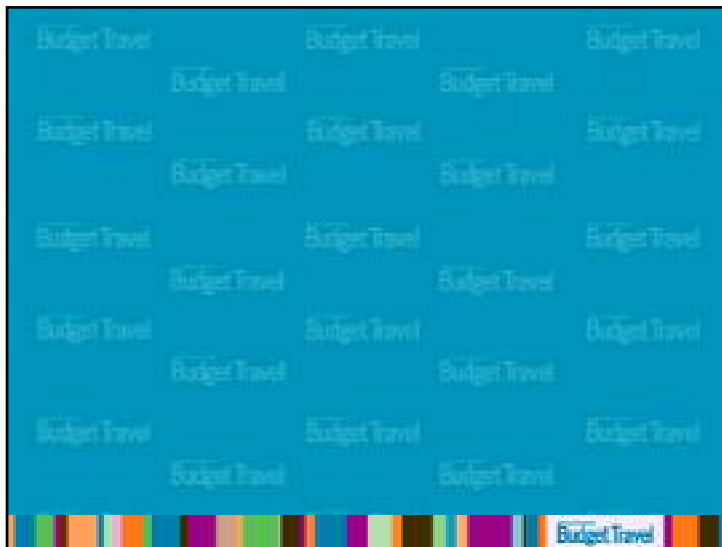


Baby Boomers and Matures:

- 41 years and older
- 57% of the general population
- 69% of leisure travelers
- 79 million Boomers are retiring
 - In control of \$53 trillion in assets

Source: YBP&R/Yankelovich 2006 National Leisure Travel Monitor study; MetLife Mature Market Institute, Tourism Marketing Intelligence

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Experiential Travel

Top 10 Emerging Destinations

	Bulgaria	Brazil	
	Russia	India	
	Morocco	Dubai	
	Cuba	China	
	Australia	South Africa	

Source: traveltomorrow.com

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Tell Them HOW



- Demystify the travel process
- Provide useful information that streamlines travel process:
 - Links to passport and visa issuers
 - Incorporate trends, i.e., blogs



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Ease of Use



American Airlines and JetBlue allows consumers to get their own boarding pass.

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The Power of the Mass Affluent

Summary

- 82% of US households earn \$100K or less
 - Spending \$100B on vacations in the past year
 - Subset the 41 year old+ "baby boomers" with \$53 trillion in assets
- Experience vs. vacation
- Customization vs. mass market tour
- Tell them HOW, HOW, HOW

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