

1999 U.S. CONSUMER SURVEY

Family Travel

GROWTH SPURT FOR FAMILY TRAVEL

By Felicity Long, Senior Editor

While adults still do most of the leisure traveling, the family travel market is in the midst of a growth spurt, according to the 1999 American Traveler Survey.

Fully 40% of leisure travelers now take vacations with their children, according to the survey, and the kids are making summer easily the favorite season for travel.

July and August are not only the most popular leisure travel months, they are the months in which leisure travelers are most likely by far to have children with them.

And agents we spoke to are taking note, including corporate agencies cross-marketing family products to their clientele.

Dan Hallinan, owner of Travelling with Children in Berkeley, Calif., has focused on the market more than most agents, and says that some 85% of his clients are families. "[Family travel] is everything to my agency," Hallinan says. "Even though we do general travel, virtually all our clients start out as family travelers and then, hopefully, move on to using me for everything."

Most of the other agents we spoke to put family travel at a more modest 25% to 35%, but all expressed an interest in seeing that percentage grow. "I find family travel as large a potential market as cruises," says Anne Halsey Smith, CTC, a family travel specialist at Halsey Smith Tours, a division of Gayle Gillies Travel in Rancho Santa Fe, Calif.

"Baby boomers are reaching the point where they want to travel with their children, and not just [to] beach resorts, but adventure travel, Europe and all sorts of things," Halsey Smith says.

So how do agents approach the sale when children are involved? "The emphasis is on children's activities, and my pattern is to stay with major suppliers," says Lee Rosenkranz of Family Travel in Melbourne, Fla.

Rosenkranz, who says 25% of his company's business is derived from families, prefers "tried and tested" inclusive properties in the islands as well as cruises.

PURPOSE OF LEISURE TRIP

| PURPOSE OF TRIP | 1999 TOTAL LEISURE TRAVELERS | 1998 TOTAL LEISURE TRAVELERS | 1999 AVG. NO. OF TRIPS (EXCL. O) | 1998 AVG. NO. OF TRIPS (EXCL. O) | % OF TOTAL LEISURE TRIPS | 1999 HOUSE- HOLDS W/O KIDS | HOUSE- HOLDS W. KIDS |
|--|---------------------------------------|---------------------------------------|---|---|--------------------------------|-------------------------------------|-------------------------------|
| Net Short Getaway | 62% | 61% | 2.7 | 2.8 | 41% | 53% | 47% |
| Short getaway with kids | 28 | 27 | 2.3 | 2.3 | 16 | 20 | 80 |
| Short getaway without kids | 44 | 44 | 2.4 | 2.5 | 25 | 66 | 34 |
| Net Long Vacation | 56 | 56 | 1.8 | 1.7 | 25 | 56 | 44 |
| Long vacation with kids | 25 | 24 | 1.5 | 1.5 | 9 | 20 | 80 |
| Long vacation without kids | 35 | 35 | 1.9 | 1.8 | 16 | 81 | 19 |
| Visit friends or relatives | 47 | 45 | 2.8 | 2.8 | 32 | 60 | 40 |
| Accompany spouse on business trip | 4 | 5 | 1.9 | 2.2 | 2 | 53 | 47 |
| Net Getaway/Vacation with kids | 40% | 40% | 2.5 | 2.5 | 24% | | |
| Net Getaway/Vacation without kids | 60% | 60% | 2.8 | 2.9 | 41% | | |

Note: Totals may exceed 100% because respondents were allowed multiple options. Source: American Traveler Survey.

EFFECT OF CHILDREN ON TRIP CHARACTERISTICS

| | 1999 TOTAL | 1998 TOTAL | NO KIDS AT HOME | 1999 KIDS 10 OR UNDER | OLDER KIDS ONLY |
|---|---------------|---------------|--------------------|-----------------------------|--------------------|
| % of population | 100% | 100% | 58% | 34% | 8% |
| % of leisure trips | 100% | 100% | 60% | 31% | 9% |
| Any past year domestic leisure trip (%) | 63 | 65 | 62 | 64 | 71 |
| Any by air (%) | 26 | 27 | 31 | 18 | 28 |
| Any by car (%) | 53 | 55 | 49 | 57 | 59 |
| Any by camper (%) | 5 | 5 | 3 | 6 | 11 |
| Past year domestic leisure trips (incl. 0) | 2.4 | 2.6 | 2.5 | 2.2 | 2.7 |
| Mean # by air (incl. 0) | 0.5 | 0.5 | 0.6 | 0.3 | 0.5 |
| Mean # by car (incl. 0) | 1.7 | 1.9 | 1.7 | 1.7 | 1.8 |
| Mean # by camper (incl. 0) | 0.2 | 0.2 | 0.1 | 0.2 | 0.4 |
| Any past year international leisure trips (%) | 9 | 9 | 11 | 5 | 9 |
| Past year international leisure trips (incl. 0) | 0.1 | 0.1 | 0.2 | 0.1 | 0.1 |
| Past year nights away on leisure | 15 | 14 | 17 | 11 | 12 |
| # days available for vacation* | 22 | 21 | 27 | 17 | 19 |
| Past year leisure travel expenditures | \$2,318 | \$2,460** | \$2,510 | \$1,937 | \$2,638 |
| Any leisure car rental | 19% | 20% | 21% | 15% | 18% |

*Excluding teacher/professor, government/military, retired, homemaker, student, or unemployed.

Source: American Traveler Survey.

**Slightly different scale used between 1998 and 1999.

1999 U.S. CONSUMER SURVEY

"There are many cruise lines now that consider themselves family-oriented," he says.

When choosing a cruise product for his clients, he looks for lines that feature different children's programs for different age groups.

"The more age groups, the more counselors and better range of activities," he says. "I especially love the ships that do shore excursions for children, which can get pretty creative."

Rina Anoussis, of The Travel Business agency located in New York, says she takes great pains to find the right family destination at the right price for her clients, many of whom are corporate travelers.

Anoussis says family travel makes up about 35% of the company's business, so profiling her clients with children is a careful process.

"When planning a family vacation, we ask the clients about the interests of the children, their ages, their level of physical activity and intellectual interest — for museums, archeological sites and historical destinations — as well as the amount of supervision the children may need."

The information allows her to direct clients to products that match their needs, such as hotels with counselors and supervised activities, computer rooms, expeditions, hiking, biking, water sports and boating, she says.

She points out that the expectations of the family members are as important as their ages and hobbies when planning a trip.

"Some families only want to do activities together when vacationing, and some want the children to be occupied while the adults rest."

Like Rosenkranz, Anoussis recommends cruises and inclusive beach resorts as ideal for families.

Hallinan has a "basic questionnaire with obvious questions" — such as the ages and interests of the children, but he also encourages the parents to "think about things differently."

"Families need different types of destinations, and they need to look at the way to enjoy a place.

"You don't have to avoid the Louvre, but you have to make sure that you also see the zoo and ride a merry-go-round."

Rosenkranz drew similarities between senior travelers and children in that "both groups need lots of stops along the way, and you need to keep everyone entertained."

The agents we spoke to saw a trend toward longer vacations, of about a week or longer. "Most clients are going for a week to a month or more to Hawaii, Mexico and Europe," says Hallinan, pointing out, as did the consumer travel survey, that shorter excursions, such as three-day drive-trips to Yosemite, are usually handled by the clients themselves.

Anoussis says her clientele, which are predominantly derived from high-income families, fall into a fairly predictable travel pattern.

"[They take] mostly a long vacation at Christmas, another at Presidents Week, a spring break and a summer European trip.

RETAILER RATINGS

EVALUATING AGENTS AGAINST SIX OTHER OCCUPATIONS

| | DOCTORS | LAWYERS | TEACHERS | AGENTS | BROKERS | ACC'TANTS | PHARMACY |
|---------------|---------|---------|----------|--------|---------|-----------|----------|
| Value of work | 7.0 | 4.9 | 8.4 | 7.2 | 6.1 | 7.5 | 8.2 |
| Trustworthy | 7.6 | 5.4 | 8.1 | 7.3 | 6.3 | 7.8 | 8.4 |
| Reliable | 7.5 | 5.7 | 8.0 | 7.3 | 6.2 | 7.9 | 8.3 |
| Professional | 7.9 | 6.3 | 7.9 | 7.3 | 7.0 | 8.0 | 8.4 |
| Knowledgeable | 8.0 | 7.0 | 8.0 | 7.3 | 6.9 | 8.1 | 8.6 |
| Friendly | 7.4 | 6.4 | 8.0 | 8.0 | 7.4 | 7.6 | 8.3 |
| Respectable | 8.0 | 5.6 | 8.2 | 7.4 | 6.9 | 7.9 | 8.3 |

Base=Total Respondents (250)

Based on a 10-point scale in which "10"= perfect description, "1"= does not describe at all.

Source:Plog Research.

See Story on Survey Results, Page 91

LEISURE TRIPS PAST YEAR WITH/WITHOUT CHILDREN

TIME INDEX: 100 = AVERAGE MONTH

| | TOTAL | NO CHILDREN | W. YOUNG KIDS (0-10) | W. OLDER KIDS (11+) |
|-------------------|------------|-------------|----------------------|---------------------|
| Net Winter | 85 | 93 | 80 | 75 |
| December | 124 | 129 | 122 | 105 |
| January | 63 | 73 | 48 | 53 |
| February | 57 | 61 | 53 | 45 |
| Net Spring | 83 | 85 | 82 | 80 |
| March | 73 | 75 | 67 | 80 |
| April | 70 | 66 | 76 | 73 |
| May | 96 | 104 | 90 | 75 |
| Net Summer | 126 | 112 | 144 | 148 |
| June | 118 | 113 | 128 | 125 |
| July | 146 | 126 | 169 | 199 |
| August | 140 | 117 | 172 | 178 |
| Net Fall | 105 | 113 | 94 | 98 |
| September | 108 | 116 | 98 | 94 |
| October | 103 | 117 | 83 | 80 |
| November | 100 | 104 | 93 | 95 |

Source:American Traveler Survey.

1999 U.S. CONSUMER SURVEY

"There are not too many long weekend trips, since most of these clients have weekend homes in the country or by the beach and spend the long weekends there."

Halsey Smith agrees that agents should not shy away from promoting upscale products to their family clients.

"The new family market does not hesitate to take children to the best properties throughout the world," she says.

"The hotels now are completely savvy to this and, in many cases, have programs set up for children or are attuned to the fact that there is a huge family market out there and are addressing that."

While traditional family destinations, such as island resorts, continue to be popular, other areas are beginning to gain ground as well, the agents say.

"There is a lot more travel to Europe in the family market than there was five years ago," says Halsey Smith. She attributes this trend partly to the strong economy and partly to specials such as two-for-one business class air fares and frequent flyer promotions.

"Hawaii is an important family destination for us, but the usual first choice for families who want to try a new destination is Europe, specifically London, Paris and [anywhere in] Italy."

She recommends taking a creative approach to Europe, such as renting a villa in Italy or France, which allows children the opportunity to move at their own pace and soak in the spirit of the country they are visiting.

While family travel can be lucrative, most agents who are successful at family travel say it takes a lot of work to build that client base.

Hallinan advertises in family publications and with local mothers' organizations and related organizations.

"We have written in books and publications, and we appear on family-travel Web sites," he says.

Rosenkranz puts out a newsletter and talks up family travel on a travel radio show.

He says he also spends time on projects that other agents might turn away — such as multigenerational day trips — to build good will and cement his reputation as a specialist in the family travel field.

Building a list of referrals of places families have visited and liked allows him to use that information to sell those products to other families, Rosenkranz says.

Halsey Smith works with private schools to arrange vacations, such as trips to Disney — noting that private schools are often on a different vacation schedule than public schools.

This allows her to sometimes offer those clients better prices than available to families competing for the same school vacation time as everyone else.

Halsey Smith also does a lot of research for her family clients, finding family-friendly restaurants and contacting hotel concierges for tips on how to entertain children.

"Family Travel Forum [which features a newsletter and Web site dedicated to family travel] is a wonderful source for tips on lengthy trips, and I use Travel and Leisure Family magazine as a source of information.

"We are members of API, which has a direct mail piece that targets the family market," she adds.

Eleanor Garvey, a travel counselor at Moran Travel in Boston, says her primarily corporate agency actively promotes leisure travel to its business clients.

"We have done corporate travel seminars during lunch hours where we will do a minivacation information expo on family travel," Garvey says, adding that the company also puts out a newsletter.

One exception to the self-promotion rule was Anoussis, who says that her reputation as a family specialist brings clients to her.

"Since we cater to a very high-profile clientele base, we do not solicit business. Our business is generated strictly by referrals and word of mouth."

Agents say that suppliers increasingly are aware of the interest in family travel and are creating products to match those needs.

"Many resorts are gearing more toward families and offer more activities for children," Garvey says.

1999 U.S. CONSUMER SURVEY

This is where the importance of the children's ages comes in, she says, since interests will vary widely for babies and teens.

"You are not going to send teens to the new Legoland in California, for example, which was not designed for that age group."

One way to avoid boredom among kids — the No. 1 fear among parents, according to Rosenkranz — is to realize that children, like their parents, often have special interests.

"We use a slogan: 'If you've got a hobby, you've got a tour,' and special interests are a growing market within the family market."

Special interest destinations can include ranches with horses, which can appeal to parents who enjoy nature and children who want an interactive experience with wildlife, he says.

"The more active the program, the less likelihood of anyone getting bored."

Probably the best way to ensure a successful match of client to product is to go back to square one and approach the sale intelligently, says Halsey-Smith.

"Unlike transactions for individuals and couples, you need to take into consideration the interests and activities of all family members. You also need to find out who is responsible for the final decision," which, in this case, she says, will usually be both parents with some input from the children.

"The approach is to give more material for people to look at and find out what their pace of successful past trips has been."

Some like to cover a lot of territory while traveling, and some like to have one base and do leisurely explorations from there, she says.

Travel Agents' Value Ranks Higher Than Doctors'

Travel Weekly's Consumer Survey on trust in agents, conducted by Plog Research Inc.

Travel agents rank higher than doctors, stockbrokers and lawyers with respect to the value they provide for their work, the U.S. Consumer Travel Survey found.

The study also revealed that few consumers are aware of travel industry trade organizations and affiliations.

The value factor was weighed against six occupations — the three noted above plus pharmacists, accountants and teachers.

Other attributes on which the occupations were evaluated were trustworthiness; reliability; professionalism; knowledge; friendliness, and respectability.

Agents consistently performed in the middle of the pack, ranking fifth in all attributes except value for the work performed and friendliness; agents took the second-highest rating for friendliness.

With one exception, pharmacists received the highest score on all attributes and lawyers received the lowest.

A summary of attribute ratings follows:

- Good value: Teachers ranked highest followed by pharmacists, accountants, travel agents, doctors, stockbrokers and lawyers.
- Trustworthiness: Pharmacists, teachers, accountants and doctors got the highest scores, followed, in order, by travel agents, stockbrokers and lawyers.
- Reliability: Pharmacists received the top ranking followed by teachers, accountants, doctors, travel agents, stockbrokers and lawyers.
- Professionalism: Pharmacists were ranked highest followed by accountants, doctors, teachers, travel agents, stockbrokers and lawyers.

1999 U.S. CONSUMER SURVEY

- **Friendliness:** Pharmacists took the top ranking followed by travel agents, teachers, accountants, doctors, stockbrokers and lawyers.
- **Knowledge:** Pharmacists scored highest followed by accountants, doctors, teachers, travel agents, lawyers and stockbrokers.
- **Respectability:** Pharmacists received the top score followed by teachers, doctors, accountants, travel agents, stockbrokers and lawyers.

Survey respondents take 6.5 trips in a two-year period, with the majority, 5.8, to domestic destinations.

Less than half of the survey's respondents (44%) use travel agencies to book their travel.

Those who do use agencies take more trips in a two-year period (8.0) than those who do not (5.3), and they average more international trips.

Turning to industry trade groups, the Travel Weekly survey asked respondents to name travel organizations and affiliations with which they are familiar.

Only one in 10 (8%) correctly identified any such entities. Travel agency users were more likely (12%) to be able to name a travel trade organization or affiliation than travelers who do not use travel agents.

The most frequent mention among respondents who were able to name a travel organization was ASTA (65%).

After being asked on an unaided basis, respondents were provided with the names of eight organizations and asked if they were familiar with each.

The organizations or identities that were prompted were certified travel counselor; ASTA; Institute of Certified Travel Agents; U.S. Tour Operators Association; Cruise Line International Association; Airlines Reporting Corp.; International Air Transport Association, and National Tour Association.

Three out of 10 (30%) were able to identify or said they were familiar with one or more of the organizations, while seven in 10 (70%) could not.

The level of familiarity was greater among respondents who use travel agents (33%) than among those who do not (27%).

Thirty-six percent of travelers who have taken four or more trips in the past two years were able to identify at least one travel organization or affiliation.

The most commonly recognized organizations on an aided and unaided basis are ASTA, followed by CLIA, IATA, NTA and ARC. USTOA, ICTA and CTC were recognized at a lower rate.

Fifty-eight percent of respondents who have used a travel agent in the past two years and who were aware of an organization reported that an agency's membership in an industry organization makes them feel somewhat or much more comfortable with the retailer.

Two-hundred-fifty travelers were interviewed by phone for this survey. To qualify, respondents had to travel on at least one occasion that included an overnight stay within the past two years. Forty-six percent of respondents were male, 54% female. Average household income was \$77,000.

How Do You Solve a Travel Problem? Go to an Agent

Travel Weekly's Consumer Survey on Dimensions of Travel Agency Loyalty and Usership Among Leisure travelers, conducted by Plog Research Inc.

Those surveyed gave their travel agents an overwhelming vote of confidence when they said, in a new Travel Weekly consumer survey, that the trade is the best place to go for solving problems and for evaluating travel alternatives. They also picked their agents as the place to go for the best prices.

Respondents were asked to compare agent services in these three areas with services at supplier 800 numbers and on the Internet.

1999 U.S. CONSUMER SURVEY

As the best problem solvers, agents got 89% of the client vote, with suppliers getting 5% and the Internet reaping 2%.

For evaluating travel alternatives, 86% of clients said their agents do the best job, with the Internet getting 7% of the vote and suppliers getting 2%.

Finally, 71% of leisure clients said their agents were the best source for prices, compared with 21% voting for the Internet and 5% for suppliers. In each case, a small percent of respondents were undecided.

Clients shared these and other assessments of their travel agents in a survey that was designed to measure and describe client loyalty.

The results showed that leisure travelers who use one agent exclusively remain loyal in part because they value their personal relationship with their agent and believe he or she acts on their behalf.

More than one in four respondents (28%) nationwide said that having a personal relationship was a main reason for using their travel agent, and 24% pointed to such subjective notions as a good prior experience or good service.

In an open-ended question, respondents could list several reasons for relying on their current agent for travel arrangements.

Thirty-four percent went straight to the bottom line, citing their agent's ability to get the best price. In addition, 31% of loyal customers noted that convenience of location was a key factor.

Destination expertise — knowledge of a specific place and the evaluation of travel alternatives — was cited by only 12% and 8% of respondents, respectively, as reasons for using their current agent.

Again, when asked in an open-ended question to identify those things that set their agents apart from others, the factor cited most often (by 17% of loyal customers) was a personal connection with a particular travel agent.

Other factors cited were convenient location (13%), ability to get best prices (12%) and good past experience/good service (11%), while knowledge of a specific destination again seemed less crucial (4%) as did an agent's ability to accomplish all arrangements in one phone call (4%).

Consistent with the often subjective nature of a loyal client's commitment were the results of a question asking respondents to rate how well their agents know them, with 10 equal to "complete understanding" and one "complete ignorance" of their travel needs.

More than half (57%) rated their agency eight or higher, and 25% gave their agents a perfect 10. And those who rated a 10 probably already know that just sending a birthday card, without first paying attention to good service, is not likely to solidify any bonds.

Survey respondents were asked to rate the importance of various services, again on a scale of one to 10. The birthday greeting culled an average rating of 1.9, barely beaten (at 2.8) by a nice bouquet of flowers or bottle of wine. At the other end of the scale, the most valued services were offering a toll-free number (7.3); informing clients of travel promotions by mail (5.1); calling the client after the trip to discuss it (4.9), and informing clients of promotions by phone (4.2).

The survey also revealed that, on average, loyal leisure travelers remain with the same agent for seven and a half years, which translates into a significant business because such customers average 4.3 leisure trips a year (3.8 domestic and 0.5 international). Of these, 2.5 involve the travel agent.

For this survey, a total of 202 respondents were interviewed by telephone and met the following criteria:

They traveled for leisure on two or more occasions in a 12 month period, which included an overnight stay, and they used the services of one travel agent for one or more of the trips.

Respondents mirrored regional proportions in the U.S., with 21% from the Northeast, 27% from the North Central Region, 25% from the South and 27% from the West.

Respondents were 40% male and 56% female. The average household income was \$98,000. The average age was 55.

SPECIAL SERVICES

THE AGENCY'S TOLL-FREE NUMBER IS MOST IMPORTANT

| | IMPORTANCE TO CONSUMER | % OF CONSUMERS RECEIVING SERVICE |
|---|------------------------|----------------------------------|
| Having a toll-free number | 7.3 | 56 |
| Informing you of travel promotions via mail | 5.1 | 51 |
| Contacting you when you return | 4.9 | 39 |
| Informing you of promotion via phone | 4.2 | 36 |
| Providing wine and flowers | 2.8 | 18 |
| Sending you a birthday card | 1.9 | 11 |

Base = Total Respondents (202). Source: TW and Plog Research.