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Forbes' Top Ten Travel Trends of the Rich

Last month, Forbes.com published an article of the top ten travel trends the travel industry should not ignore:

Eco-Awareness

According to research from the Green Hotel Association, 43 million U.S. travelers say they are concerned about the environment. Now, the travel industry is making a widespread effort to promote green initiatives. Fairmont Hotels & Resorts and Aloft, a Starwood Brand, each has green initiatives underway. Car rental companies such as Hertz, Budget, and Avis are adding more fuel-efficient cars to their fleet.

Hotel-Owned Villas

According to Scott Berman, a partner in the Hospitality and Leisure practice at PricewaterhouseCoopers, upscale hotels are building villas in reaction to competition from independent villa rentals. Esperanza in Cabo San Lucas, Mexico, Four Seasons properties and Evanson Hideaway & Six Senses in Ana Mandara, Vietnam, are a few examples of luxury hotels now offering villa rentals.

Private Jet Travel

Flying commercial is becoming passé for today's deep pocketed travelers. Aram Gesar, editor of the New York-based AirGuide magazine and AirGuideonline.com, says there are now 500 private jet companies, up from around 100 five years ago. Over the same period, prices to charter your own plane have declined from \$3,800 per hour to as low as \$2,200.

Multi-Generational Travel

Travel experts say that vacations including multiple generations of families are increasingly popular. The trend, known as "togetherness," is expected to increase in coming years. Rod Cabron, spokesman for travel marketing firm Yesawich, Pepperdine, Brown & Russell, says people have an increased appreciation of time with family.

Yacht Charters

Wealthy travelers favor renting luxury yachts for their vacation. With a growing list of amenities such as outdoor Jacuzzis, plasma televisions, spacious staterooms, a culinary team cooking gourmet meals and the option to change your itinerary at whim (after all, it's your boat).

Adults Only Travel

Hotels are recognizing that travelers don't always want kids around, and are carving out adult-only sections. Two examples: Emerson Resort & Spa in Mount Tremper, N.Y., has a new 25-suite adults-only inn. The hotel and restaurant at the Grace Bay Club in Turks and

Caicos is just for adults as well.

Traveling with An Entourage

Traveling with an entourage isn't just for celebrities. Bjorn Hanson, a principal in the Hospitality and Leisure Practice at PricewaterhouseCoopers, says that very wealthy travelers are bringing nannies, trainers, yoga teachers, and even chefs on vacation.

Vacation On The Decline

Research from travel marketing firm Yesawich, Pepperdine, Brown & Russell says one out of four adult leisure travelers will take fewer vacations this year than in previous years. Why the decline? Experts cite increasing difficulty getting away from work.

Human Contact Returns

It's no surprise that the majority of leisure travelers book through the Internet. But industry experts say that upscale travelers are relying more heavily on luxury travel consultants who charge hefty fees to plan every aspect of a trip. Case in point: There is a wait list to join Fisher Travel, a members only travel concierge in New York City. The cost? \$250,000.

A New Definition Of Camping

Going camping doesn't mean giving up all modern comforts. Campsites around the world are amping up amenities: KOA Kampgrounds, which has 445 sites in the U.S. and Canada, is adding Jacuzzis, movie theaters, and restaurants to many of its sites.

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Americans: The Most Vacation Deprived Worldwide

Expedia.com's 2007 International Vacation Deprivation™ survey analyzed the vacation habits among employed workers in the United States, Great Britain, Germany, France, and Spain.

- 51.2 million Americans are vacation deprived, earning (14 days) and taking (11 days) the least amount of vacation days among their international counterparts
- 35% of employed U.S. adults usually do not take all of the vacation days they receive each year
- 23% of employed adults check work email or voicemail while vacationing, compared to 16% in 2005
- 40% of employed U.S. adults anticipate using the majority of their vacation time for 2007 by taking a power week and using the remaining days here and there
- 14% plan to take a full two week vacation

Out of all the countries surveyed, Americans receive and take the least vacation days while the French workers receive and take the most vacation days.

	Average Vacation Days		% of employed adults who do not take all vacation days
	Received	Taken	
United States	14	11	35%
France	36	33	19%
Spain	30	28	24%
Germany	26	25	17%
Great Britain	24	21	24%

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Travel Demand Withstands Softening Economy, For Now

Analysts from Reuters recently reported that the effect of the U.S.'s softening economy on the travel industry would not be evident until months to come. This is primarily based on two reasons: leisure travel usually slows in the fall and business travel is typically booked well in advance.

After the U.S. Labor Day weekend, which is symbolically the end of the busy summer travel season, the industry generally expects the demand for airline tickets and hotel rooms to drop significantly. This dip in demand usually lasts until Thanksgiving weekend, when airlines and hotels often see a spike in bookings. It is expected that the "Thanksgiving spike" will be much smaller this November, signaling the beginning of an expected travel decline due to adverse economic conditions.

Hotels and airlines are already preparing themselves for the slow demand that is approaching. PricewaterhouseCoopers lowered its forecasts for hotel demand growth due to the economic downturn. The new forecast for 2007 expects a 1.3% increase in occupied room nights, compared to the previous 1.4%. For 2008, the forecast was lowered to 1.7% compared to 1.9%.

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Families Reporting Traveling Farther, Spending More, and Taking Shorter Vacations

A recent survey by Harris Interactive, commissioned by Best Western International, indicated that today's family vacations are shorter yet more elaborate and expensive, involving journeys to farther and more exotic locations than before.

- 55% claimed that they are choosing more expensive and luxurious vacations
- 42% said that they now travel greater distances
- 62% of those who take family vacations say "value for the money" is top consideration for determining vacation destination

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Groups and Meetings: a New Perspective Reveals Unexpected Opportunity

A new report from PhoCusWright Inc. highlighted that travel companies are starting to, or should focus on groups and meetings. This area is valued at over US \$164 billion in the U.S. and is expected to reach US\$175 billion by 2008. Typically, travel expenses (air, hotel, car rental, ground transportation, cruise and tour) represent 54% of the total market, while non-travel expenses (meeting rooms, catering, audio/visual equipment) will account for the remaining 46%.

PhoCusWright also reported that this is one of the next key competitive areas for e-commerce. By 2008, 41% of all groups and meetings travel revenue, equivalent to US \$39 billion, will be booked online. The market for small leisure gatherings (under nine rooms), which includes family reunions and weddings, will have an online penetration of 53% by 2008. Small leisure gatherings is a recent subset, which fell outside of the traditional "group" definition.

The report is suggesting that travel companies automate their entire distribution network and supply chain in order to support groups and meetings, or else risk ceding control of this space to competitors and/or new entrants.

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