



Partner Update - *Travel Trends*

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Ia ora na Partners,

The following Partner Update is dedicated to current Travel Trends and discusses the current state of the travel industry, its effects at a larger scale, and the key elements necessary to survive in a global economy that is even more challenging today than during the oil crisis in the early 80's.

Over the last few years, the travel industry has been fueled by several factors. From the exorbitant rise in oil and gasoline prices, to the unstable financial and credit market, and the increasing global market competition.

Mauru'uru!
Tahiti Tourisme North America

TravelCom' 08

This year's TravelCom Conference was held in Chicago, IL from April 8th to 10th.

The conference, which was very well attended, addressed several common themes in the travel and tourism sector. The main areas covered included the recent economic outlook, the phenomenal growth of social media and the decline of e-commerce traffic; which have each shown the challenges facing everyone in the travel industry.



Travel distribution channels have continued to evolve over the years. From traditional travel agency distribution, to online advertising, to online communities, to online social networks; travel marketers are faced with an array of choices when considering efficient means to engage consumers.

In 2008, online travel planning and buying has hit a "cyber-ceiling" with a minor growth of 2% over 2007 or from 59% to 61%. There is, thus, an imperative need to reach across multiple channels to follow the consumer's behavior that is currently evolving at a faster pace than the industry.



New channels like mobile or social computing need to be focused on and developed. According to Henry Hartevedt from Forrester Research Inc., 35% of leisure travelers with active mobile phones reported using data services such as text messaging or Internet access in 2007. The increasing number of homes with broadband access and the access from mobile phones to travel supplier websites such as YouTube.com or Hilton.com creates more engaging opportunities and new distribution perspectives.



It was also shown during the conference that online leisure travelers are highly involved in travel related activities. As part of their decision making process, they read traveler ratings and online reviews, travel related online forums and discussions, and visit travel related social networking sites.

As two-thirds of online travelers rely on video or audio information on destinations, many travel companies have opted to engage consumers through travel related video. Technology helps the consumer to follow through the phases of their trip. For instance, Vayame helps the consumer to visualize tradeoffs between flights route; Farecast shows how far their dollar can take them; InterContinental came to life by creating a concierge maps for the consumers to see what they find close to their hotels. Interactivity and social networking were the highlights of this conference and have become the main focus for many companies.

The evolution of application in areas like social computing, mobile and consumer electronics will change the way travel marketers need to be prepared to distribute, market, and sell travel to a increasingly digital consumer. It is also paramount to remain focused on the benefits of the travelers rather than technologies and provide all the information and context they seek to initiate value-focused travelers to see beyond the price.



Sources:
www.TIA.org/TravelCom
www.forrester.com

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Soft Dollar Spurs Travel to Latin America and Asia

Western Europe has long been the most popular getaway for US Tourists, but rising airfares and the weak dollar make it harder for American travelers to travel overseas. They instead often opt for countries or places where the national currencies are still weaker than the dollar such as Latin America, Asia or the Middle East.

As more flights between North America and Asia are being added in the coming year, Americans will have increased options for visiting countries like China, Vietnam and Thailand. At the same time, Latin and South American countries also continue to promise a good value for US travelers, many of who have already traded Paris, Rome and Madrid for Buenos Aires, Cusco and Santiago.

According to Travelocity Senior Editor Genevieve Shaw Brown "Asia, Central America and South America are all up over 30 % over the last year in terms of popularity, and that is at the same time that Western Europe and Canada are down in terms of popularity."

In addition, she noted "holiday bookings to London are down nearly 20%, while bookings to Mexico City surged 40% from last year. In fact, Mexico's capital is now the 5th most popular destination among Americans this holidays season."

Many of the Latin American cities offer many of Europe's appeal, namely Argentina's capital, nicknamed "the Paris of Latin America." You can find the architecture, cuisine, the art scene, nightclubs, and the history, and most importantly, the dollar can take US travelers very far with a favorable exchange rate.

In Asia, American travelers can find excellent bargains compared with Western Europe. Asia offers high-end resorts, gourmet restaurants, beautiful beaches, and five star hotels.

We have listed below the most top travel destinations for 2008:

1. Mexico City

2. Buenos Aires
3. Sao Paulo
4. Shangai
5. Beijing
6. Hanoi
7. Marrakech
8. Dubrovnik
9. Istanbul
10. Montreal

Sources:

www.cnn.com

www.travelpost.com

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Several Alternatives to Travel Despite A Weak Dollar

As the strength of the euro and the pound continue to push the price of European vacations higher for Americans, the best strategy for many Americans, in order to keep the cost down, is to opt for all-inclusive vacation or a careful planning.

Many vacationers are opting for all-inclusive vacations, such as cruises or packaged tours. This alternative allows travelers to pay for everything in advance. In addition, it keeps travelers away from any surprises since they already know how much their entire trip will cost.

According to Anna Figueroa, Director of Business Development for Amadeus Waterways, "the decline of the dollar has strengthened the attractiveness of all-inclusive cruise product." She also added that her company's summer river cruises in Europe are full.

Many companies have been experiencing a sharp rise in traffic. Uniworld, which operates nine cruise ships in Europe, was up 30%. Cruise Holidays, a travel agency franchise that specializes in cruises, said its European bookings were up about 14% through March of this year.

Careful planning is the other alternative to minimize the cost of US travelers' vacations, should the dollar drop. Assen Vassilev, Co-Founder of Lessno.com, recommends planning in dollars, as travelers would not be exposed to fluctuations in euros and they can also avoid fees from credit cards or having to pay exchange fees.

Lessno.com has actually begun to offer travelers booking intra-European flights the option of paying for airfare in dollars, so that Americans would not be hit with fees for international purchases or penalized by higher exchange rates.

This trend is noticeable at a large scale within the industry. The Leading Hotels of the World, a luxury hotel marketing group, recently introduced guaranteed dollar rates at nearly 60 hotels throughout Europe to help maintain address the weak dollar.

Sources:

www.nytimes.com

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