

Consumers Lack Time not Money for Travel

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TIA's Overall Traveler Sentiment Index Remains Weak

According to the Travel Industry Association of America's (TIA) third quarter 2005 Traveler Sentiment Index, time available and interest in travel are the greatest perceived barriers to consumers taking pleasure trips. Conversely, consumers are feeling more optimistic about their ability to travel based on affordability. The overall index remains virtually unchanged from last quarter's rating; however, it is down nearly 10 percent from a year ago and is at its lowest point in the history of the index. The survey took place from July 5 - 15, 2005.

Compared to last quarter, declines were posted in three of the five indices measuring travel sentiment. Consumers are substantially more negative about having enough time to take a pleasure trip, with that index falling 5.6 percent, and their interest in taking a pleasure trip dropped 5.1 percent. Perceptions of the quality of service received while on a trip fell 2.4 percent.

On a more positive note, consumers reported more positive perceptions about the affordability of pleasure travel with that index increasing 10.2 percent over second quarter 2005. They were also more positive about having enough money to take a pleasure trip, with that index rising 7.8 percent.

'Despite these improvements, American travelers still remain significantly more negative about the affordability of travel and their financial capability to participate than they did in earlier years, reflecting real travel price increases in recent months,' noted Dr. Suzanne Cook, TIA's senior vice president of research. 'These tendencies may be further exacerbated by additional pressures on pricing created by the recent hurricanes in the Gulf area.'



Due to industry concerns about the threat of terrorism, TIA began to measure consumer perceptions about travel safety starting with the fourth quarter 2001 (October) survey. While travel safety is not a component of the Traveler Sentiment Index, it can be indexed and seasonally adjusted by itself against the baseline of fourth quarter 2001. The travel safety index for this quarter is at 110.3, down 6 percent from second quarter 2005 and down 5.8 percent compared to one year ago.

When the overall Traveler Sentiment Index is examined on a regional basis, the Midwest and the West were the only two regions with gains in their overall indexes. Significant increases were seen in the Midwest in the 'affordability' (+43.8%) and 'financial' (+21.5%) indices from last quarter. The West also showed an increase of 16.3 percent in the 'affordability' index. Despite a decrease in its overall index, the South did show increases in the 'financial' index and the 'affordability' index (+9.9% and +8.1%, respectively). The Northeast posted declines in all five indices.

TIA's quarterly Traveler Sentiment Index (TSI) is conducted four times per year and is a running gauge of consumers' interest in leisure travel and their perceived ability to travel. The study consists of five criteria: interest, time, finances, affordability, and service quality. The TSI is based on quarterly interviews with approximately 1,000 U.S. adults who have taken at least one trip in the past year. Each criterion is measured individually and then combined to create an overall index score. The Traveler Sentiment Index is seasonally adjusted, and the baseline year for the Index is the year 2000.

TIA is the national, non-profit organization representing all components of the \$593 billion travel industry. TIA's mission is to represent the whole of the U.S. travel industry to promote and facilitate increased travel to and within the United States.

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