

Expedia Travel Trendwatch™

BY CHRIS MCGINNIS

Online at www.expediatraveltrendwatch.com

Americans will hit the skies in record numbers



HOLIDAY TRAVEL FORECAST

A busy holiday travel season is about as predictable as turkey, parades and football on Thanksgiving Day. Americans will hit the skies in record numbers this November and December, despite the recent memory of a busy and trying summer at the nation's airports.

The holiday season is defined by marked peaks and valleys in demand more than any other time of year. For bargain hunters with flexible schedules, this means that savings opportunities abound. But for those who need to stick to a schedule, advance planning and timing are critical for making the most of holiday trips.

THANKSGIVING PEAK

The upcoming Thanksgiving period will as usual usher in the busiest travel days of the year. According to Expedia.com® and airline partner forecasts, the busiest and most expensive days for flying will be the Wednesday (Nov. 21) before Thanksgiving and the Sunday (Nov. 25) and Monday (Nov. 26) after.

In recent years, an increasing number of travelers have learned that flying on Thanksgiving Day can save money, resulting in a morning rush at many airports. However, travel on Thanksgiving *afternoon or evening* (when most people want to be close to home and hearth) can be less expensive and crowded (many airlines reduce their schedules on Thanksgiving afternoon, making airports even less crowded). Friday is a moderately busy day at the airport and by Saturday and Sunday, the crowds return. Monday, especially the morning, is extremely

Where the Winter Travel Deals Are (and Aren't)

Top Fare Decreases (Winter '06/'07 vs. '07/'08)		Top Fare Increases (Winter '06/'07 vs. '07/'08)	
1. Los Angeles - Cabo San Lucas	-15%	1. San Francisco - Honolulu	+21%
2. Seattle - Honolulu	-15%	2. Seattle - Las Vegas	+19%
3. Los Angeles - Cancun	-15%	3. Houston - Las Vegas	+15%
4. Detroit - Las Vegas	-13%	4. New York - San Juan	+15%
5. San Francisco - Las Vegas	-11%	5. Chicago - Miami	+13%
6. Baltimore - Las Vegas	-9%	6. New York - Orlando	+13%
7. Newark - Orlando	-7%	7. Chicago - Cancun	+13%
8. Miami - New York	-7%	8. Portland - Las Vegas	+13%
9. Indianapolis - Las Vegas	-7%	9. Chicago - Orlando	+12%
10. Philadelphia - Las Vegas	-6%	10. Philadelphia - Miami	+11%

“ In recent years, an increasing number of travelers have learned that flying on Thanksgiving Day can save money... ”



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busy when business travelers mix with those returning from holiday trips. But starting Tuesday or Wednesday, holiday crowds thin, prices fall and the “deal weeks” begin (see below).

CHRISTMAS/NEW YEAR’S PEAK

With both Christmas and New Year’s Day falling on Tuesday this year, the peak season runs from roughly Thursday, Dec. 20th through Saturday Jan. 5—a full 17 days. A longer than normal peak is good news for travelers—it means that crowding should be more evenly dispersed over more days versus years when the winter holiday season is more compact.

With Christmas on Tuesday, the busiest travel days will be the Friday, Saturday and Sunday before (Dec.

21-23), and the Thursday through Sunday after (Dec. 27-30) according to Expedia.com and airline partner forecasts. Christmas Day, especially the morning, is historically relatively slow, but later in the afternoon volume picks up.

The weekend (Sat. and Sun., Dec. 29-30) and Monday (New Year’s Eve) will be especially busy when crowds returning home from Christmas mix with crowds headed out for New Year’s festivities or winter vacations. On New Year’s Day crowds will be thinner in the morning than in the afternoon.

Other very busy days include Wednesday Jan. 2, when many people return home or return to work. Also, Saturday, Jan. 5, the final day of the peak season, should be very busy. Finally, on Monday

Jan. 7, the system gives a big sigh of relief...and the “deal weeks” begin (see below).

DEAL WEEKS: THE HOLIDAY TRAVEL PARADOX

For bargain hunters, the best part about the holiday travel season is the fact that many of the least expensive travel times are sandwiched in between the most expensive. While most travelers are focused on getting through the busy peak weeks, those with flexible schedules can reap deep discounts by traveling when everyone else stays home. In travel industry speak, these are known as “dead weeks” but they should really be called “deal weeks” because of the deep discounts.

Deals can be found roughly the two weeks before Thanksgiving, the first

Air Travel Volume Thanksgiving Week (November)

Tues 20 Heavy	Wed 21 Very Heavy	Thanksgiving AM: Heavy PM: Moderate	Fri 23 Moderate	Sat 24 Heavy	Sun 25 Very Heavy	Mon 26 Very Heavy
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Air Travel Volume Christmas Week (December)

Fri 21 Very Heavy	Sat 22 Very Heavy	Sun 23 Heavy	Mon 24 Moderate	Christmas AM: Moderate PM: Heavy	Wed 26 Heavy	Thur 27 Very Heavy
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Air Travel Volume New Year’s Week (December/January)

Fri 28 Very Heavy	Sat 29 Very Heavy	Sun 30 Very Heavy	Mon 31 Very Heavy	New Year’s Day AM: Moderate PM: Heavy	Wed 2 Very Heavy	Thur 3 Heavy
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“Fares for the holiday peak period are running at about the same level as last year.”

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two weeks of December, and the first two weeks of January. Good news, with Thanksgiving occurring earlier than normal this year (Nov. 22), mid-season deals are spread over nearly three weeks (Nov. 28-Dec. 15) versus the normal two (see deal week calendars on page 5).

Best Bets:

Best bets for pre-Thanksgiving deal weeks: cruises, Europe, national parks and last-minute packages.

Best bets for post-Thanksgiving deal weeks: cruises, Caribbean resorts, ski resorts (if there is snow; many resorts open over Thanksgiving), and last minute packages.

Best bets for post New Year's deal weeks: ski resorts, cities, Hawaii, Mexico and Europe.

BIGGER SEATS. SMALLER DOLLARS

Trend:

International business travelers like to stay home for the holidays, which means demand for those plush business class seats on overseas flights plunges.

Tip:

When demand plunges, so do prices. Recently, many major airlines have started to deeply discount international business class fares for holiday season flights. This means those who yearn to sit in those big seats at the front of the plane can do so for \$1000 to \$2500 round trip, versus the standard business class fare of \$6000 to \$9000 on many transatlantic routes. For Thanksgiving, round trip travel must occur between roughly Nov. 18 and Nov. 28. For Christmas season travel, sale fares are good for roundtrips taken between roughly Dec. 17 and Jan. 6.

Sample round trip business class

fares: New York to Shannon or Dublin, Ireland, \$1192; Washington DC-Madrid \$1540; Houston-Paris, \$1870; Seattle-Rome, \$2270; Los Angeles-Paris, \$2424.

HOME (OR HOTEL?) FOR THE HOLIDAYS

Trend:

When asked where they would prefer to stay when visiting family out of town for the holidays, 40% of U.S., adults would choose a hotel according to an Oct 2007 Expedia.com poll¹. Why? Most said they prefer to have their own space, enjoy staying in hotels when they have the opportunity, and feel that staying with the family would be stressful.

Tip:

Upscale hotels located in downtown or suburban office park locations slash rates when business traveler volume plummets around the Thanksgiving, Christmas and New Year's holidays.

DELAY AVOIDANCE

To gauge where departure and arrival delays are most likely during the upcoming holiday season, all you have to do is look at airline performance last season.

Airports with the most delayed **departures** in November AND December 2006:

- Atlanta
- Chicago – O'Hare
- Detroit
- New York – JFK
- Newark
- Philadelphia

Airports with the most delayed **arrivals** in November AND December 2006:

- Boston
- Chicago – O'Hare
- Detroit
- New York – JFK
- New York – La Guardia
- Newark
- Philadelphia

Source: National Air Traffic Controllers Association

If traveling to or through one of these airports is unavoidable, consider these tips to minimize your chance of delay:

- Fly as early in the day as possible since most delays occur after 12 noon.
- Be sure to pack snacks, books or magazines in the event you are stuck at the airport or on the runway without access to restaurants or stores.
- If you rely on electronic gear for entertainment and/or communication, bring along extra batteries.
- To avoid airport roadway hassles or bad traffic, take the train to the plane (or vice versa). Many delay-plagued airports offer on-site rail connections to downtown areas such as: Atlanta, Chicago – O'Hare, Newark, New York – JFK, Philadelphia, Minneapolis and Boston.
- Don't check baggage unless you absolutely must. Consider shipping luggage ahead of time. Remember new rules requiring that liquids and gels be in <3 oz. containers.

“ Due to high demand, hotel rates continue to rise and for the first time ever, the average hotel rate nationally exceeds \$100. ”

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HOTEL RATES RUN UP

Trend:

Due to high demand, hotel rates continue to rise and for the first time ever, now the average hotel rate nationally exceeds \$100. While much of the recent attention around extreme rate increases focuses on New York City where average rates now run well over \$300, there are plenty of other cities with even larger year-over-year increases (see below).

Tip:

Hotel rates at upscale properties in downtown or suburban office park locations plummet along with business travel demand on or around the holidays. That's welcome news to those who'd rather bed down in a spacious hotel room instead of a lumpy sofa or guest room when visiting family for the holidays.

THE CAPACITY QUESTION

Trend:

To eke out fleeting profits, airlines are micro-managing capacity, or the number of airline seats flying into or out of major cities. Some cities are getting more, while others are getting less.

Tip:

Cities with increasing capacity are typically enjoying the arrival of a new carrier and can expect lower fares and more choices. Cities with decreasing capacity are more likely to suffer with fewer flight options and more crowding.

Largest YOY increases in capacity:

Columbus, OH	+16%
New Orleans, LA	+14%
San Francisco, CA	+11%
Albuquerque, NM	+10%
Orlando, FL	+10%

...largest decreases:

Pittsburgh, PA,	-16%
Detroit, MI	-6%
Philadelphia, PA	-5%
Boston, MA	-4%
Cincinnati, OH	-3%

Source: Expedia.com data

¹Harris Interactive® fielded the online survey on behalf of Expedia.com between October 8 and October 10, 2007 among 2,267 U.S. adults 18 years of age or older, of whom, 479 plan to travel by air this holiday season. No estimates of theoretical sampling error can be calculated; a full methodology is available through Expedia.com.

This survey was conducted online within the

Higher Than Average Hotel Rate Increases (Q4 06 vs. Q4 07)

Destination	Avg Daily Rate Q4 07	YOY increase
1. Memphis	\$139.15	+36%
2. Reno	\$86.16	+28%
3. Austin	\$131.72	+23%
4. Wine Country (CA)	\$176.46	+19%
5. Charlotte	\$111.99	+17%
6. Lake Tahoe (CA/NV)	\$146.54	+16%
7. Houston	\$117.39	+16%
8. Colorado Spgs	\$79.46	+15%
9. Seattle	\$145.12	+14%
10. Manhattan (NYC)	\$318.40	+14%

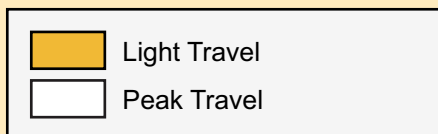
Other markets of note with 10%+ year-over-year increases: Silicon Valley (CA), Ft Lauderdale, Boston, Washington DC, San Antonio, and Atlanta.

Source: Expedia.com

“To eke out fleeting profits, airlines are micro-managing capacity, or the number of airline seats flying into or out of major cities.”

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DEAD WEEKS = DEAL WEEKS CALENDARS



United States by Harris Interactive on behalf of Expedia.com between October 8 and October 10, 2007 among 2,267 U.S. adults 18 years of age or older, of whom 479 plan to travel by air this holiday season. Results were weighted as needed for region, age within gender, education, household income and race/ethnicity. Propensity score weighting was also used to adjust for respondents' propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Interactive avoids the words "margin of error" as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Interactive surveys. The data have been weighted to reflect the composition of the U.S. adult population). Because the sample is based on those who agreed to be invited to participate in the Harris Interactive online research panel, no estimates of theoretical sampling error can be calculated.

November						
Sun.	Mon.	Tue.	Wed.	Thur.	Fri.	Sat.
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22 Thanksgiving	23	24
25	26	27	28	29	30	

December						
Sun.	Mon.	Tue.	Wed.	Thur.	Fri.	Sat.
						1
2	3	4 Hanukkah	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25 Christmas	26	27	28	29

December and January						
Sun.	Mon.	Tue.	Wed.	Thur.	Fri.	Sat.
30	31 New Year's Eve	1 New Year's Day	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21 MLK Day	22	23	24	25	26
27	28	29	30	31		



INSIGHT AND EXPERTISE

Chris McGinnis, a 20-year travel industry veteran most recently serving as a travel correspondent on CNN Headline News, is the editor of the Expedia Travel Trendwatch™. Each report provides travelers with a treasure trove of trends, data and advice designed to help people make better travel decisions.

McGinnis's travel industry insight and expertise, coupled with the unparalleled travel intelligence of Expedia®, can be found throughout this report, arming travelers with an invaluable source of insider knowledge on travel trends.