

US Travel Spending Declines In 2009, Growth Expected in 2010

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Are you planning on hitting the road this year?

While travel spending in the US saw a decline of 9% in 2009*, Mintel expects to see more people taking off in the new decade with a 6% increase in travel spending expected for 2010.

“In the coming years, the travel industry needs to pay attention to how the economic downturn is affecting this market,” said Mark Guarino, senior analyst at Mintel. “The growth will be slow and will mainly stem from reduced prices on hotels, rental cars and airlines, all trying to get hesitant consumers to travel again.”

According to a recent survey from Mintel, nearly two-thirds (65%) of respondents could not afford a trip in 2009, while one-third say they needed to save money instead.

Despite the rising gas prices that started in 2008, 70% of Americans cited the car as the most popular mode of transportation when going on a domestic vacation.

Air travel came in a distant second with only 32% of respondents choosing this method of travel.

Mark Guarino notes

“Clearly, air travel is quicker, especially when going long distances. However, automotive travel is considered more affordable, safer and comfortable in light of security threats, high airline prices, ticketing and baggage fees and long lines that have become the norm at most major airports.”

Of those traveling, only 9% of respondents traveled for business purposes. The low percentage of business travelers may reflect a reaction to the tough economy.

Companies wanting to cut corners tend to cut travel budgets. In addition, the rise of video conferencing has proven to be a more affordable alternative that may further reduce the need for business travel in coming years.

*This amount includes domestic business and leisure travel as well as spending by international visitors.

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