Tourism Industry Research

June 2007

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Gas Prices Impact Drive-Travel Tourists

A poll conducted by priceline.com® (Nasdaq: PCLN) revealed that 84% of Americans are still taking a vacation this year despite record gasoline prices. However, only 20% of consumers responding to the priceline.com survey said they planned to *drive* to their vacation destination this year. Most consumers (62%) said they would *fly*. This comes as no surprise, since in many cases across the U.S., it is cheaper to fly than to drive long distances.

The Travel Industry Association (TIA) remains optimistic that American travellers *will* hit the open road in larger numbers this summer compared to last. Their survey revealed if the average price of gas across the nation reaches the $3.50 per gallon mark, at least one third of Americans planning to take vacation drives will likely cancel their trips. In the week of June 18th, the US national average price of gas was at $3.00 a gallon. TIA expects nearly 330 million person-trips in June, July, and August of this year. The nonprofit travel organization defines such a trip as one person travelling 50-plus miles, one-way, away from home.

Food & Beverage Trends

The National Restaurant Association's *2007 Restaurant Industry Forecast* lists the following trends in the food & beverage industry: bite-sized desserts, locally grown produce, organic produce, flatbread and bottled water all top the list. Additional 'hot' items include pomegranates; figs; grass-fed and free-range meat; fresh herbs and exotic mushrooms; whole-grain breads and focaccia; Mediterranean, Latin American and Pan Asian fusion cuisines; salts, aged meats and ginger; pan-seared, grilled and braised items; specialty sandwiches; and Asian appetizers.

The number of farmers' markets has increased by 79% from 1994 to 2002, says the US Department of Agriculture. The concept of "Food Miles" is surfacing, reflecting a desire to help the environment by buying food that doesn't need to be transported long distance. Can carbon ratings on packaged foods and beverages be far behind? The National Restaurant Association's *2007 Restaurant Industry Forecast* also reveals that organic items and locally produced food items are growing in popularity. Antioxidants such as green tea are being used more frequently in food products, and "Superfruits" like goji berries, acai and pomegranate, all high in antioxidants, are being positioned for mainstream acceptance.
As for beverages, wine is becoming increasingly popular at restaurants. Among fine dining operators, 65% expect wine to represent a larger proportion of sales in 2007. Currently the new popular non-alcoholic beverages are the calorie-burning beverages (Celsius, Enviga).

Tourism Vancouver Island

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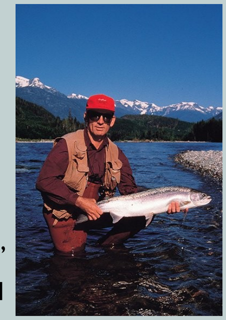
http://www.tourismvi.ca/research/index.php

Everyone needs a little Island time.

Lifestyles and License Buying Habits of American Anglers



A 2006 study conducted by the American Sportfishing Association (ASA) and the Association of Fish and Wildlife Agencies (AFWA) has identified groups of people who are more likely to respond to fishing promotions by categorizing them using Tapestry *lifestyle data*. According to Tapestry, the person most likely to buy a fishing license lives in a rural area or small town, holds a blue-collar job and earns an average or below average income (Table 1). However, the relatively high license purchasing activity among upper-income households the 'Upscale Avenues' and the 'High Society' show a greater-than average rate of purchasing licenses and represent nearly one quarter of all U.S. fishing license customers. For marketers who typically employ golf or other recreational activities to capture high-end customers, fishing may be a viable alternative. Combined with the retirees found in the "Senior Styles" category, this accounts for 70% of America's fishing license customers. In contrast, the people less likely to purchase a fishing license tend to be young (generally under 30), and have below average incomes, live in or near a city and are more likely to come from ethnically diverse backgrounds. More information on this study can be found at: www.fishwildlife.org or www.asafishing.org

Table 1. License Customers Sorted by Tapestry's "LifeMode" Categories, U.S.

LifeMode Group	**% of U.S Population**	**% of Resident Fishing License Buyers**	**Cumulative %**	**Description (per Tapestry)**
Factories & Farms	13.8%	18.3%	18.3%	Small towns often in America's breadbasket states, lower income, married, employed in agriculture & manufacturing
American Quilt	11.3%	14.7%	33.0%	Small towns/rural, modest income, blue-collar or rural nearing retirement, modest or mobile homes
Upscale Avenues	12.9%	13.8%	46.8%	Above average income
Senior Styles	15.3%	13.1%	59.9%	Retirees, average income, depend on social security & pensions
High Society	10.7%	11.0%	70.9%	Fastest growing group, highest income, married
Traditional Living	10.7%	99.0%	80.8%	Hard working, modest income families, older towns losing younger generations to newer cities and growth areas
Family Portrait	6.4%	6.5%	87.3%	Generally younger families, homeowners
High Hopes	5.1%	4.4%	91.7%	Young, college educated, single or married w/out kids
Solo Acts	4.5%	2.9%	94.5%	Young, educated, city life
Metropolis	4.5%	2.2%	96.8%	City families, row houses & public transportation
Global Roots	3.3%	2.1%	98.9%	Ethnically diverse, recent immigrants, want to improve
Scholars & Patriots	1.6%	1.1%	100.0%	Youthful, lower income, in college or military