



Louisiana Travel Pulse

Summer 2003

The Louisiana Travel Pulse is a seasonal industry travel barometer designed to present recent trends in travel industry performance. This issue's emphasis is on the **Summer 2003** season (June-August 2003). Performance measures are primarily presented to show differences in levels from one year ago. However, much of the following data also illustrates the most recent twelve to eighteen-month trend as well. Some indicators also show comparisons of national and/or regional trends when data is available. The following Pulse has two primary parts. The first part shows statewide indicators for hotels, airports, visitor centers, riverboat gaming, parks, and attractions. The second part of the Pulse contains a regional analysis of the **Summer** season using some of these same indicators.

The Louisiana Travel Pulse is published quarterly by the Office of Tourism within the Louisiana Department of Culture, Recreation and Tourism. Any questions or issues concerning this Pulse should be directed to the Research Section, Louisiana Office of Tourism, Post Office Box 94291, Baton Rouge, Louisiana 70804-9291 or by calling 225-342-8100.

Summer 2003 Performance At-A-Glance

- Hotel Occupancy Rate: +3.5%
- Hotel ADR: -2.9%
- Hotel Room Supply: +1.8%
- Hotel Room Demand: +4.7%
- State Visitor Center Visitors: +7.2%
- Gross Gaming Revenue: +1.1%
- Airport Enplanements: -1.8%
- State Parks Visitors: +7.1%
- Local Information Center Visitors: -1.6%
- Attractions Visitors: -5.4%

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Note: These Louisiana indicators show the percentage difference from Summer 2002 to Summer 2003.

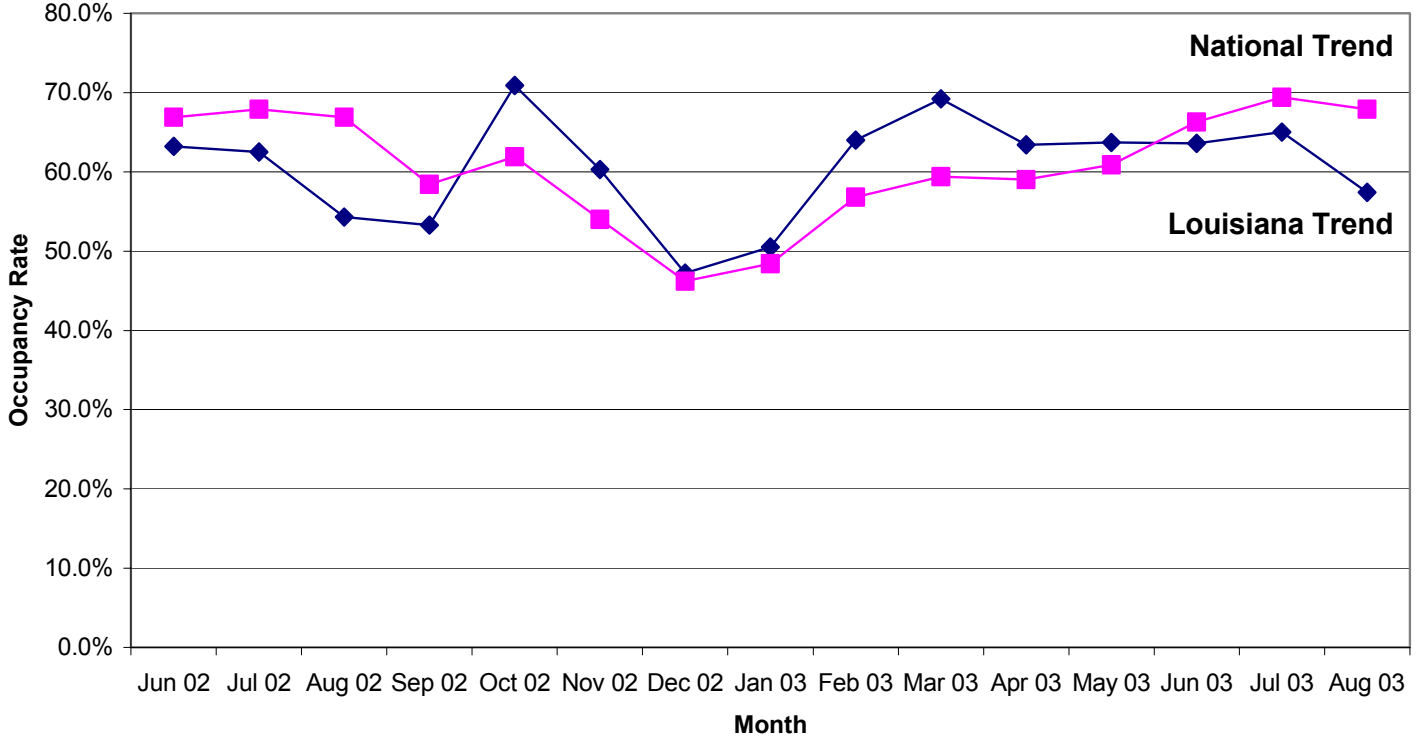
Factors Influencing Summer 2003 Travel To Louisiana

Iraq-U.S. war aftermath continues to adversely affect overseas travel...Summer leisure vacation travel up over last year...Nationwide air and international travel still down versus a year ago...Consumer economic fundamentals improving...Economic forecasts nationwide for the future months are generally positive...Economic experts say U.S. GDP expected to grow by 3.0 to 3.5 percent during second half of 2003...Carnival Cruise Lines' 2,974 passenger *Carnival Conquest* returned home to the Port of New Orleans to resume seven-day cruises on July 14th...Closer to home travel and good weather conditions benefited many of Louisiana's attractions...Research shows strong intentions to travel to Louisiana...Louisiana continues to celebrate the Louisiana Purchase Bicentennial with special events and exhibits throughout the state.

Previous copies of the Louisiana Travel Pulse are available on the web at: www.latour.lsu.edu

1. Hotel Trends – Occupancy Rate

Summer 2003 – Occupancy Rate Trend



Summer 2003 Season

Louisiana hotel/motel occupancy: 62.0%
 % difference from prior year: +3.5%
 % difference from 5 years ago: -9.6%

U.S. hotel/motel occupancy: 67.8%
 % difference from prior year: +1.2%
 % difference from 5 years ago: -5.2%

2003 Performance (January-August)

Louisiana hotel/motel occupancy: 61.9%
 % difference from prior year: 0.0%
 % difference from 5 years ago: -10.8%

U.S. hotel/motel occupancy: 60.8%
 % difference from prior year: -0.7%
 % difference from 5 years ago: -7.4%

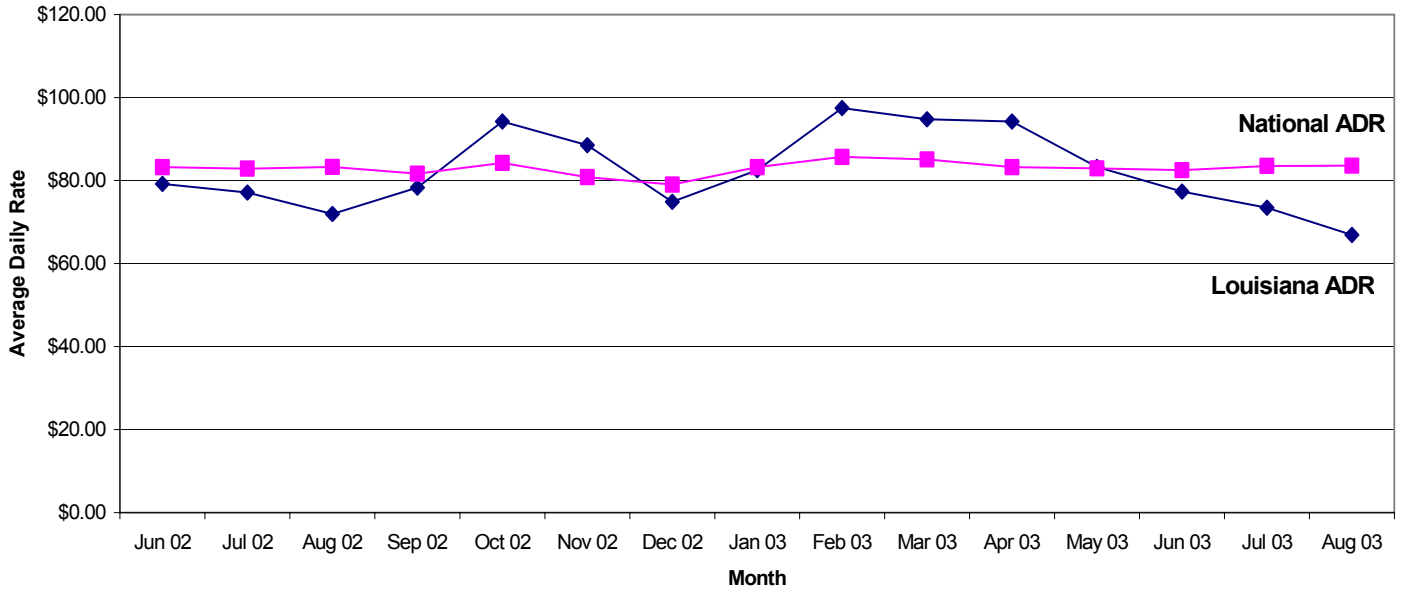
Source: Smith Travel Research

“Room occupancy for the first six months of 2003 was lower than a year ago in hotels at all locations. The decrease that had the most impact was 2 percent in hotels at Suburban locations because of the relative size of the group. Resort hotel operators reported the smallest drop (.3 percent).”

Source: Smith Travel Research, STR Lodging Review – Special Analysis, August 14, 2003

2. Hotel Trends – Average Daily Rate

Summer 2003 – Average Daily Rate Trend



Summer 2003 Season

Louisiana hotel/motel average daily rate: \$72.50

% difference from prior year: -2.9%

% difference from 5 years ago: -0.6%

U.S. hotel/motel average daily rate: \$83.30

% difference from prior year: -0.1%

% difference from 5 years ago: +7.7%

2003 Performance (January-August)

Louisiana hotel/motel average daily rate: \$83.22

% difference from prior year: -4.6%

% difference from 5 years ago: +2.6%

U.S. hotel/motel average daily rate: \$83.60

% difference from prior year: -0.5%

% difference from 5 years ago: +7.1%

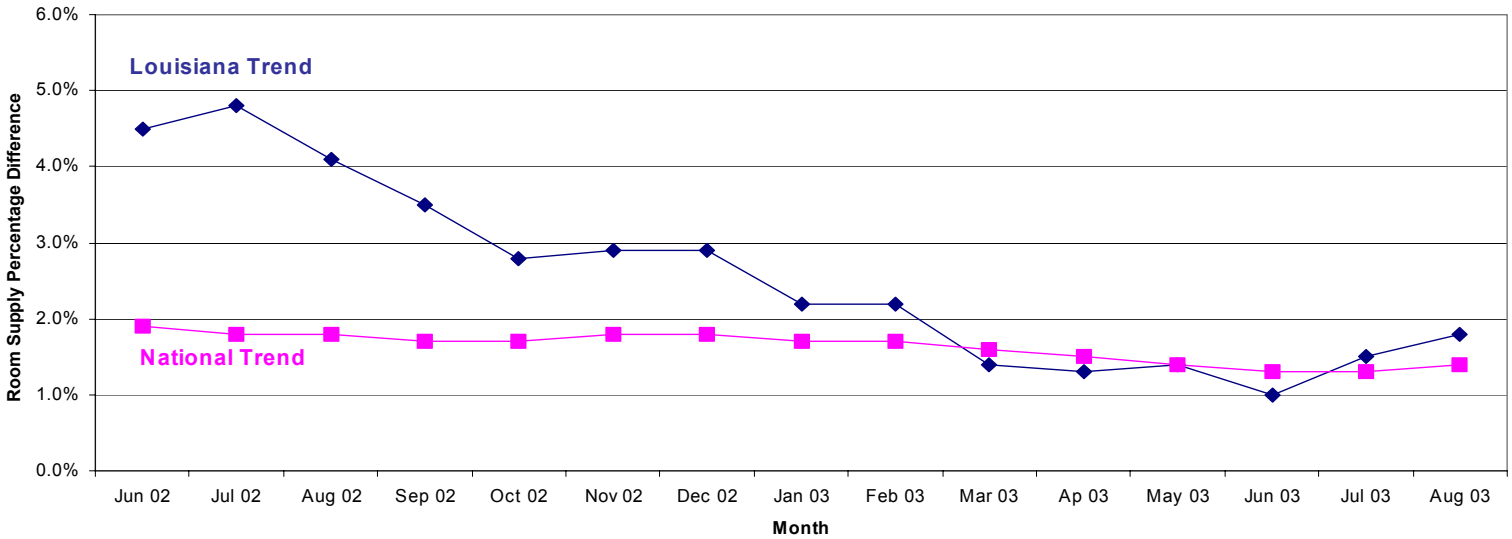
Source: Smith Travel Research

“Despite the expected improvement in occupancy, average room rates are projected to decline another 1.5 percent in 2003, the third consecutive year of declining ADRs. Looking back at other lodging industry recoveries, we find it typical for the recovery in room rates to lag behind the turnaround in occupancy.”

PFK Consulting, *Quarterly Trends in the Hotel Industry – United States*, September, 2003

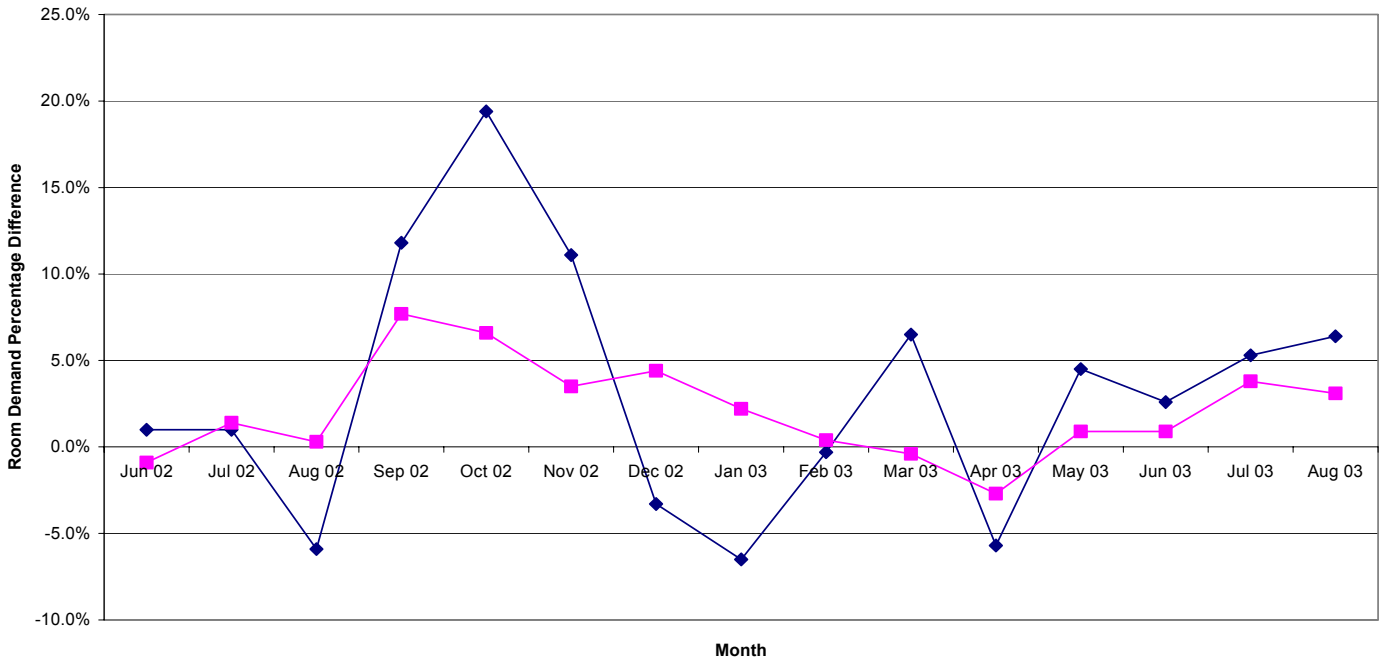
3. Hotel Trends – Room Supply

Summer 2003 – Room Supply Trend



4. Hotel Trends – Room Demand

Summer 2003 – Room Nights Sold Trend

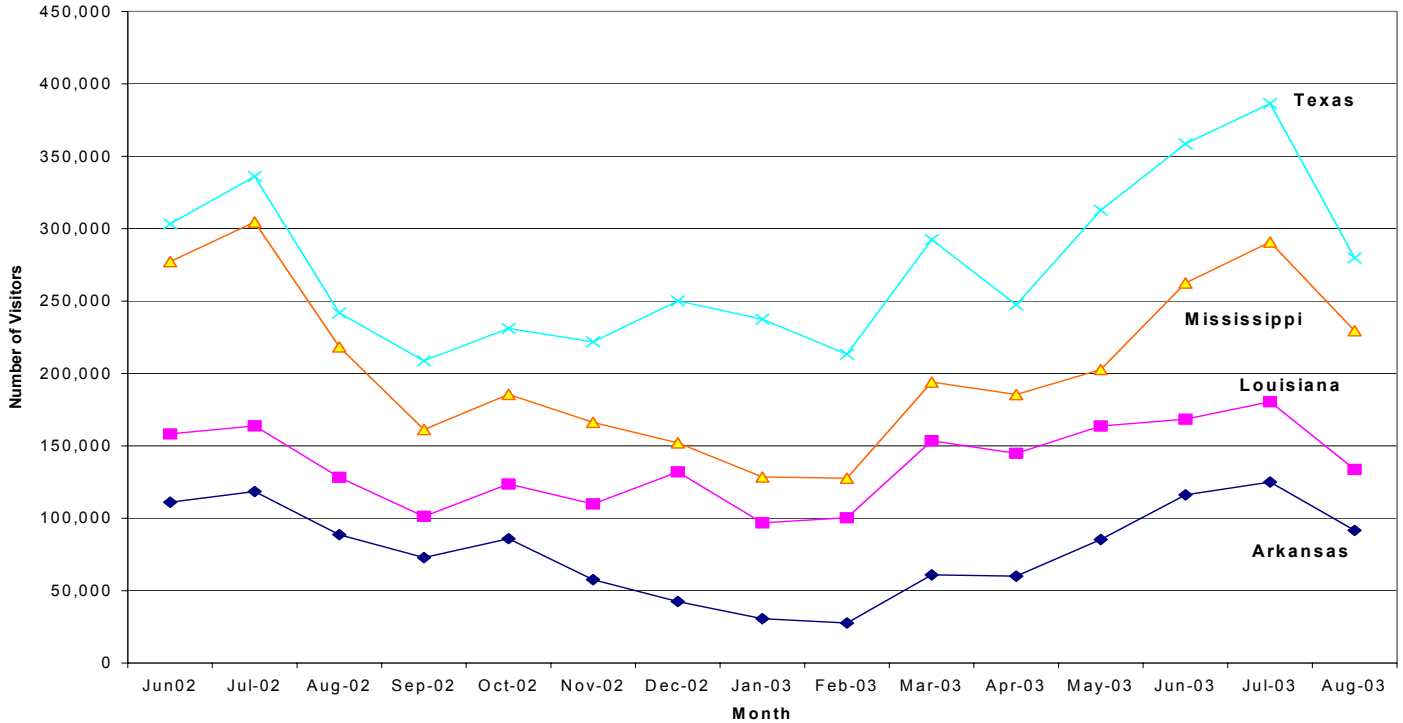


Number of hotel/motel properties in Louisiana – 702
 Number of hotel/motel rooms in Louisiana – 76,377

Source: Smith Travel Research, August 2003

5. State Information Center Visitors

Summer 2003 State Welcome Center Visitor Trend

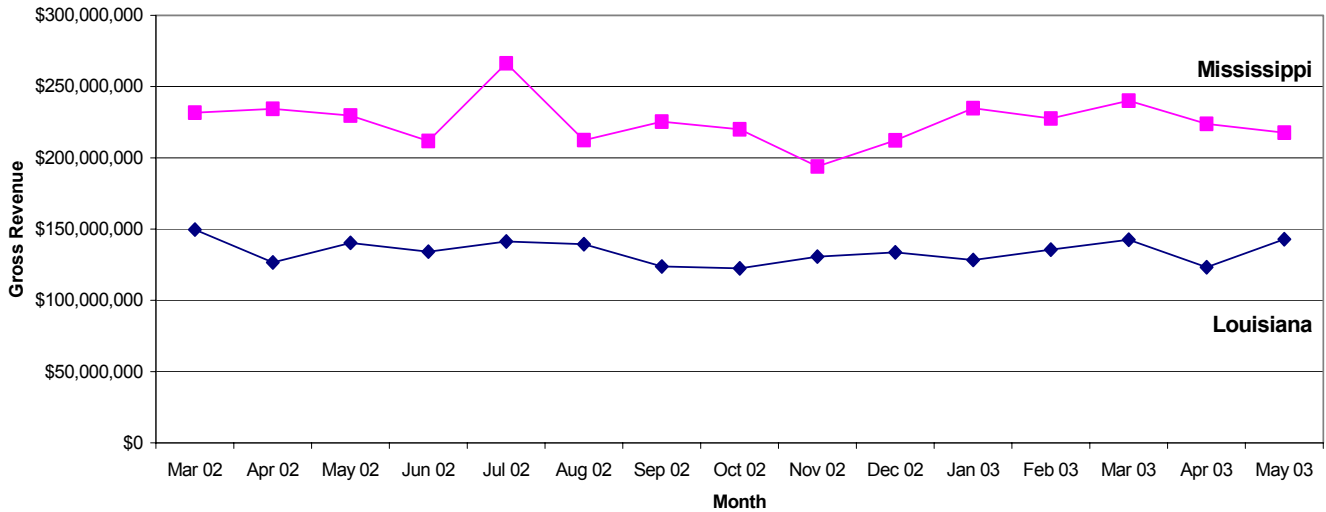


	Arkansas	Louisiana	Mississippi	Texas
Summer 2003 Trend*				
Number of Visitors	332,539	482,443	782,654	1,024,599
% difference from prior year	+4.6%	+7.2%	-2.2%	+16.3%
2003 Year-to-Date Trend (January thru August)				
Number of Visitors	596,750	1,141,271	1,620,660	2,327,796
% difference from prior year	-0.6%	+1.0%	-8.2%	+5.6%
*While each state uses a different method to calculate welcome center visitors, there have been no changes to the methods used over the last 15 months.				
Source: Louisiana Office of Tourism				

Welcome Center Facts	
•	Louisiana's Pearl River Welcome Center closed for repairs on July 14, 2003 and will not reopen until 2004.
•	During Fiscal Year 2002-2003, the total economic impact of all welcome center visitors was \$254.1 million of which \$48.6 million (19.1%) was attributable to information received at the Louisiana Welcome Centers.

6. Riverboat Gaming

Summer 2003 – Gross Revenue Trend



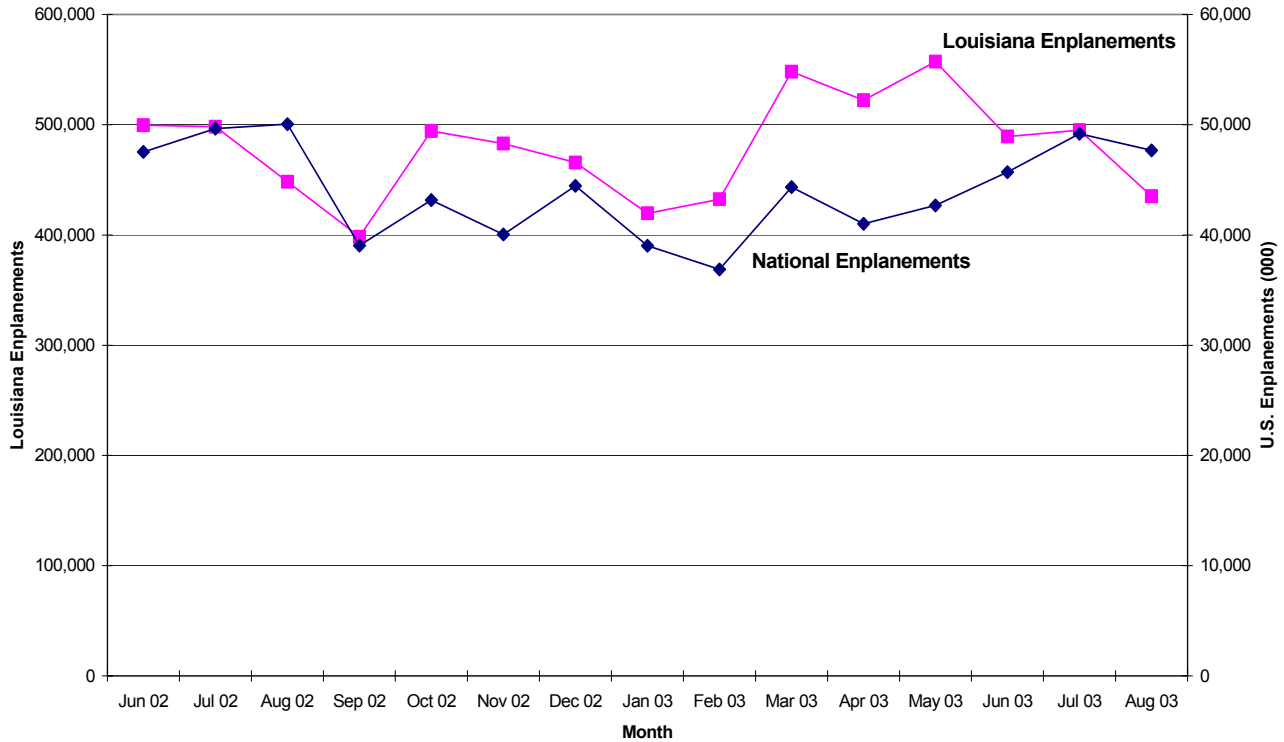
	Louisiana	Mississippi
Summer 2003 Season		
Total Gross Revenue	\$404,783,717	\$702,007,312
% difference from prior year	-2.5%	+1.7%
% difference from 5 years ago	+17.1%	+20.5%
2003 Year-to-Date (January thru August)		
Total Gross Revenue	\$1,077,649,083	\$1,846,028,407
% difference from prior year	-2.1%	-1.1%
% difference from 5 years ago	+20.5%	+23.8%
Sources: Louisiana State Police, and Mississippi State Tax Commission (http://www.mstc.state.ms.us/index.html)		

- The gross revenue for Louisiana’s land based casino in New Orleans for the Summer of 2003 was over \$71 million, 4% greater than the Summer 2002.
 - The total gross revenue for Louisiana’s riverboats, land-based casino, and racetrack slot machines for January through August 2003 was \$1,375.5 million, 1.1% greater than the same months of 2002.
- Source: Louisiana Gaming Control Board (<http://www.dps.state.la.us/lgcb/welcome.html>)

New Orleans voters approved a referendum to add slot machines to the historic Fair Grounds. The racetrack, which turned 131 this year, was where General George Armstrong Custer of Little Bighorn fame ran his string of horses. The very first race there was run in 1872, three years before the Kentucky Derby and even before Churchill downs was ever constructed. Only two other cities in America have racetracks older than the Fair Grounds: Saratoga, the famous N.Y. track that opened in 1864, and Baltimore’s Pimlico, home of the Preakness which opened in 1870. The financially troubled Fair Grounds will now become Louisiana’s newest racino along with Louisiana Downs and Delta Downs.

7. Airport Passenger Enplanements

Summer 2003 Enplanements Trend



Summer 2003 Season

Louisiana Airport Enplanements: 1,419,639

% difference from prior year: -1.8%

% difference from five years ago: -7.0%

U.S. Airport Enplanements: 142.5 million

% difference from prior year: -3.2%

% difference from five years ago: -6.5%

2003 Performance (January-August)

Louisiana Airport Enplanements: 3,899,568

% difference from prior year: +0.2%

% difference from five years ago: 0.0%

U.S. Airport Enplanements: 346.5 million

% difference from prior year: -3.3%

% difference from five years ago: -8.3%

Louisiana's enplanements are approximately the same as there were five year's ago (1998) while the number of enplanements nationwide are down significantly from that year. The war with Iraq was probably the main cause of this decline in nationwide enplanements.

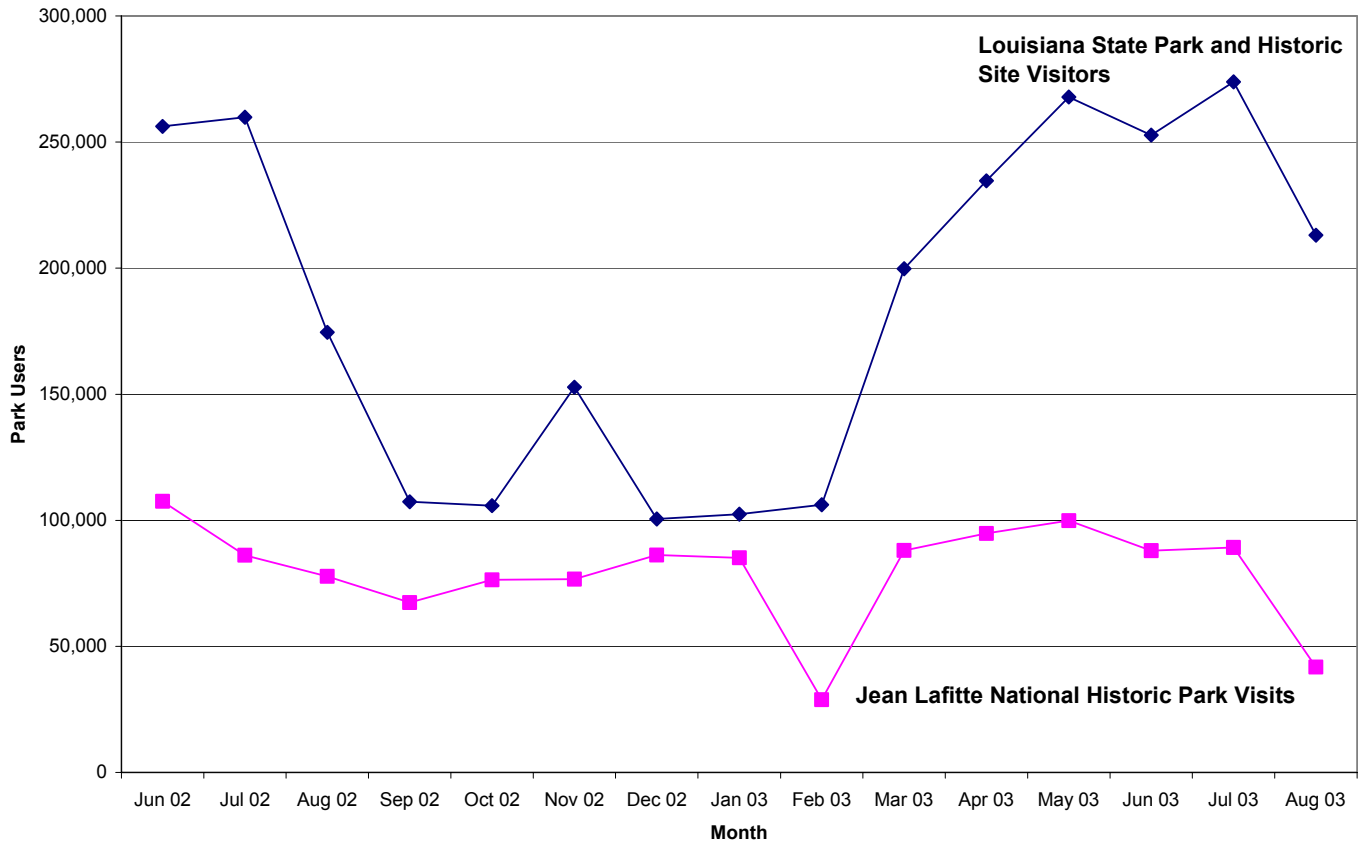
Source: Louisiana Office of Tourism, and the Air Transport Association (<http://www.airlines.org/>)

"Domestic airline enplanements for June/July/August moved in the opposite direction, down 3.3 percent versus a year ago, and 13.3 percent compared to the Summer 2000. While the airlines operated quite full, with a domestic load factor of 80.4 percent, this was largely a function of reduced domestic capacity, down 5.2 percent from last year. It is this reduced capacity that is contributing to the reported improvement in airline financial performance."

Source: *Travel Industry Indicators*, September 30, 2003, James V. Commisa, Jr., Travel Industry Analyst

8. State and National Park Visitors

Summer 2003 Park Visitors Trend



Summer 2003 Season

Louisiana State Parks and Historic Site Visitors: 739,651
 % difference from prior year: +7.1%

Jean Lafitte National Historical Park Visits: 218,953
 % difference from prior year: -19.3%

2003 Year-To-Date Performance (January-August)

Louisiana State Parks and Historic Site Visitors: 1,650,534
 % difference from prior year: +5.5%

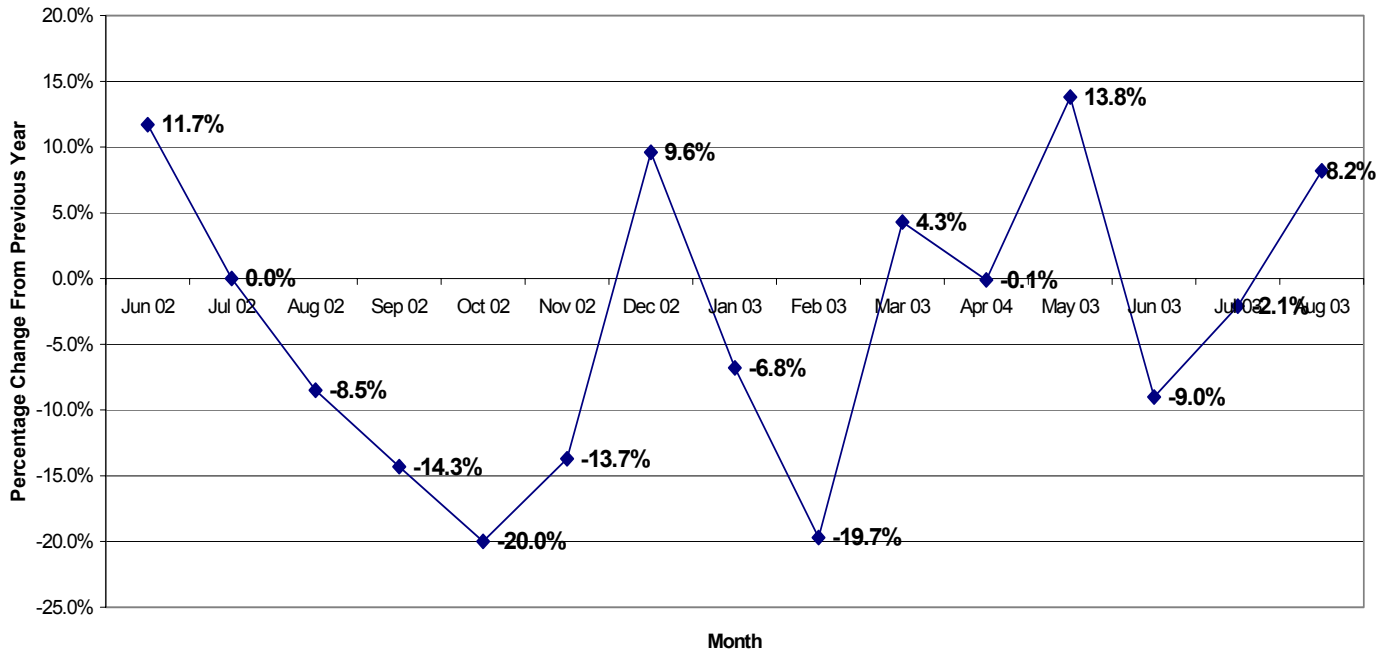
Jean Lafitte National Historical Park Visits: 615,593
 % difference from prior year: -17.5%

Source: Louisiana Office of State Parks, and the U.S. National Park Service (<http://www2.nature.nps.gov/stats/>)

Compared to 2002, the number of rounds of golf played nationwide was down 2.9% for the first 8 months of 2003. The number of rounds of golf played on Audubon Golf Trail courses was down by only 1.5% during that period. According to Louisiana Audubon Golf Trail Administrator Eric Kaspar, adverse weather conditions, the economy, and the Iraq conflict are the primary reasons why nationwide golf play has declined this year.

9. Local Tourist Information Centers

Summer 2003 – Tourist Center Visitor Trend



Summer 2003 Season

Louisiana local tourist information center visitors: 114,815

% difference from prior year: -1.1%

During the Summer season, 11 information centers reported increased visitor volume and 14 information centers recorded a decrease in visitors compared to the previous Summer season.

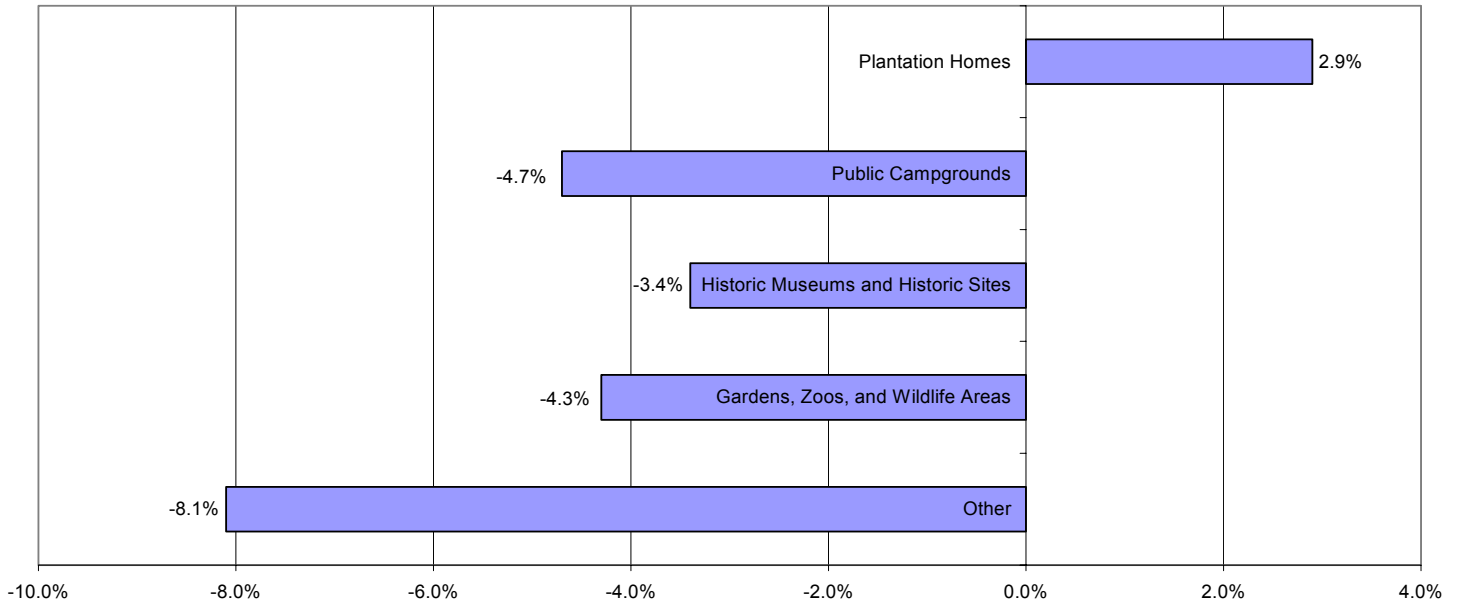
Source: Louisiana Office of Tourism. Local information center visitors are operated by municipal and parish tourist bureaus throughout Louisiana. Most use registration sheets to record the volume of visitors who enter the centers for travel information.

“More than half of the traveling American public consider it important to experience or learn about cultures other than their own when they travel. Over 95 million (62%) believe it is important to learn about other cultures when they travel. Half of all travelers (50%) express a similar sentiment that it is important to learn about people with ethnic heritages different from their own. For example, 89 million (58%) view travel as an opportunity to try local foods or cuisine, and 54 percent say that it gives them the chance to explore off the beaten path hotels and places frequented by locals. Authenticity is a primary theme when examining travelers wants and needs. Four in ten (41%) travelers say their experience is better when they can see and do something authentic. In addition, half of all travelers prefer to experience the local culture (49%) and support local businesses (49%) at their destinations.”

Source: *Geotourism: The New Trend In Travel*, Travel Industry of America Association, 2003

10. Attractions Visitors

Summer 2003 - Visitor Trend By Category
Percentage Change From Previous Year In The Number Of Visitors



Summer 2003 Season

The Louisiana Office of Tourism received visitor counts from 76 attractions across the state. Numbers were received from 6 plantation homes, 18 public campgrounds, 33 historical museums and historic sites, 6 gardens, zoos and wildlife areas, and 13 other attractions. The total number of visitors to these Louisiana attractions decreased by 5.4% during the Summer 2003 Season (June-August) compared to the previous Summer season. This decrease is contrary to most other indicators within this barometer which indicated a positive summer season. Good weather conditions, positive Louisiana travel intentions, and favorable national trends should have provided increased attendance at most of Louisiana's parks, museums, and attractions. Some of those attractions that did extremely well, such as the N.O. Museum of Art, had increased attendance due to very popular new exhibits. Perhaps these attractions and the new long awaited Louisiana Purchase exhibits (such as The Heart of Spain in Alexandria and the Josephine exhibit in Baton Rouge) are getting most of the attention from attractions' patrons. Whatever the reason, most attractions continued to have decreased attendance. (See below.)

	Summer 2003	Spring 2003	Winter 2003	Fall 2002	Summer 2002
Number of Sites w/increased attendance	29	34	29	32	38
Number of Sites w/decreased attendance	47	43	47	53	46
Percentage difference from previous year*	-5.4%	+3.8%	-10.6%	-13.1%	-1.2%

* Percentage difference in actual visitors recorded at all parks, museums, and attractions submitted to LOT.

10. Regional Trends - Summer

Greater New Orleans	2003	2002	% +/-
New Orleans International Airport			
Passenger Enplanements.....	1,127,162.....	1,155,213.....	-2.4%
New Orleans Hotel-Motel Occupancy Rate			
June.....	63.2%.....	61.6%.....	+2.6%
July.....	64.7%.....	61.9%.....	+4.5%
August.....	55.5%.....	52.4%.....	+5.9%
New Orleans Visitor Center.....	31,104.....	27,793.....	+11.9%
Slidell Visitor Center.....	131,449.....	103,808.....	+26.6%
Kentwood Visitor Center.....	40,570.....	32,206.....	+26.0%
Pearl River Center.....	20,954.....	47,750.....	-56.1%
(Note: In July the Pearl River Center closed indefinitely for renovations.)			
Parks, Attractions, Museums.....	780,877.....	881,846.....	-11.4%

Plantation Country	2003	2002	% +/-
Baton Rouge Metro Airport			
Passenger Enplanements.....	90,258.....	98,341.....	-8.2%
Baton Rouge Hotel/Motel Occupancy Rate			
June.....	63.4%.....	60.9%.....	+4.1%
July.....	61.5%.....	61.0%.....	+0.8%
August.....	58.8%.....	56.0%.....	+5.0%
State Capitol Visitor Center.....	32,621.....	29,730.....	+9.7%
St. Francisville Visitor Center.....	9,421.....	11,156.....	-15.6%
Parks, Attractions, & Museums.....	244,283.....	207,237.....	+17.9%

Cajun Country	2003	2002	% +/-
Lafayette Regional Airport			
Passenger Enplanements.....	42,917.....	42,247.....	+1.6%
Lake Charles Regional Airport			
Passenger Enplanements.....	10,829.....	11,525.....	-6.0%
Lafayette Hotel-Motel Occupancy Rate			
June.....	65.8%.....	67.5%.....	-2.5%
July.....	67.8%.....	62.5%.....	+8.5%
August.....	62.9%.....	58.0%.....	+8.4%

Lake Charles Hotel-Motel Occupancy Rate

June	66.7%	64.8%	+2.9%
July	69.4%	67.5%	+2.8%
August	56.7%	59.6%	-4.9%

Vinton Visitor Center	72,631	61,861	+17.4%
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Parks, Attractions, & Museums	229,483	235,101	-2.4%
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Crossroads	2003	2002	%+/-
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England International Airport			
Passenger Enplanements	35,306	26,238	+34.6%

Alexandria Hotel-Motel Occupancy Rate

June	56.3%	66.3%	-15.1%
July	60.8%	61.5%	-1.1%
August	53.2%	56.4%	-5.7%

Vidalia Visitor Center	6,671	6,838	-2.4%
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Parks, Attractions, & Museums	171,846	155,136	+10.8%
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Sportsman's Paradise	2003	2002	%+/-
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Shreveport Regional Airport			
Passenger Enplanements	85,596	85,867	-0.3%

Monroe Regional Airport			
Passenger Enplanements	27,571	24,807	+11.1%

Shreveport Hotel-Motel Occupancy Rate

June	67.1%	66.9%	+0.3%
July	73.2%	67.8%	+8.0%
August	67.2%	64.6%	+4.0%

Monroe Hotel-Motel Occupancy Rate

June	76.0%	71.1%	+6.9%
July	72.1%	69.2%	+4.2%
August	66.0%	60.1%	+9.8%

Greenwood Visitor Center	74,436	67,499	+10.3%
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Mound Visitor Center	62,586	61,487	+1.8%
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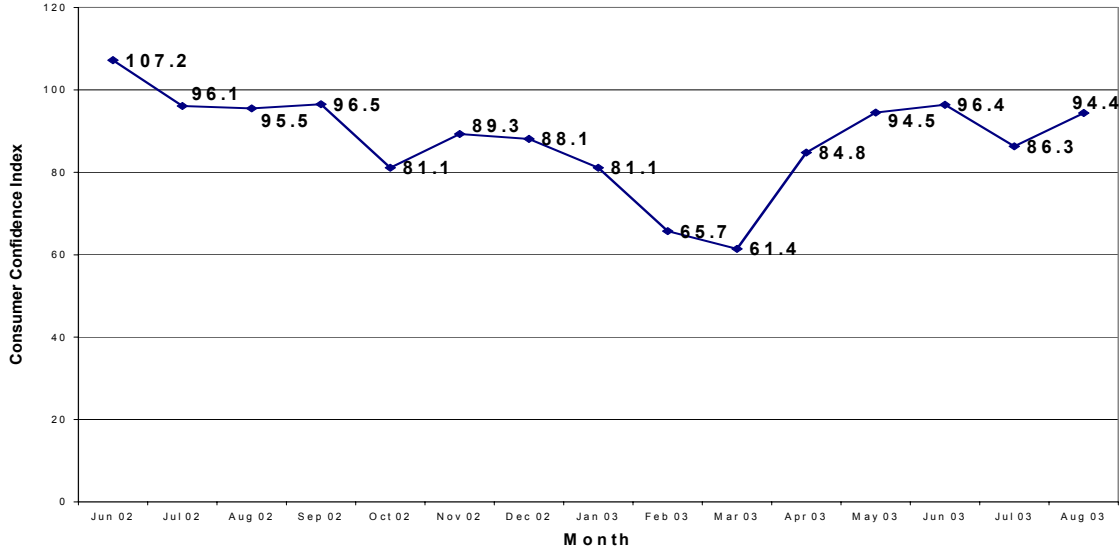
Parks, Attractions, and Museums	185,094	224,803	-17.7%
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Notes on Regional Trends: Hotel/Motel statistics are from Smith Travel Research, Inc.; all other figures are from the Office of Tourism. Park figures include both day-use and overnight visitors. Attendance at parks, attraction and museums are self-reported to the Office of Tourism and include many different methods of recording visitors/customers.

11. Looking Ahead

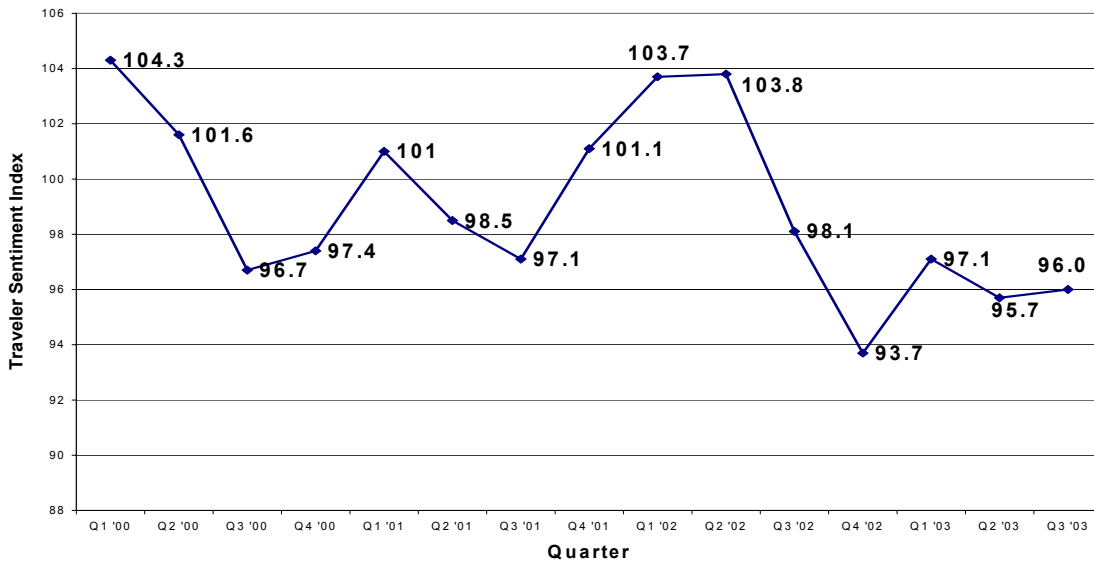
This section provides U.S. and Louisiana leading indicators which have predictive value for future tourism trends. They are called “leading” because their direction or magnitude historically “leads” the focus of our industry.

A. U.S. Consumer Expectations Index Trend*



*Note: The Consumer Expectations Index is a part of the Consumer Confidence Survey developed by The Conference Board. This index is a monthly measure of the public's confidence in the health of the U.S. economy. Industries that rely on the Survey for forecasting include manufacturers, retailers, banks, the Federal Reserve, and United States government agencies.

B. U.S. Traveler Sentiment Index Trend*



*Note: The Traveler Sentiment Index is conducted quarterly by the Travel Industry Association of America (TIA), and is based on responses of 1000 interviews with U.S. adults who have taken at least one trip in the past year. TIA began the Traveler Sentiment Index study in first quarter 2000 (January), which serves as the baseline period. In general, the Traveler Sentiment Index measures consumer interest in pleasure travel and their perceived ability to take pleasure trips.

C. 2004 Travel Forecasts for the United States (% Change versus prior year)

Indicator	2002	2003 Projection	2004 Projection
U.S. Resident Leisure Person Trips	+1.7%	+2.8%	+3.2%
Overseas Visitors to U.S.	-12.4%	-7.0%	+6.0%
Enplanements	-0.2%	-3%	+5%
Hotel-Motel Room Nights Sold	+0.6%	+2.0%	+3.5%

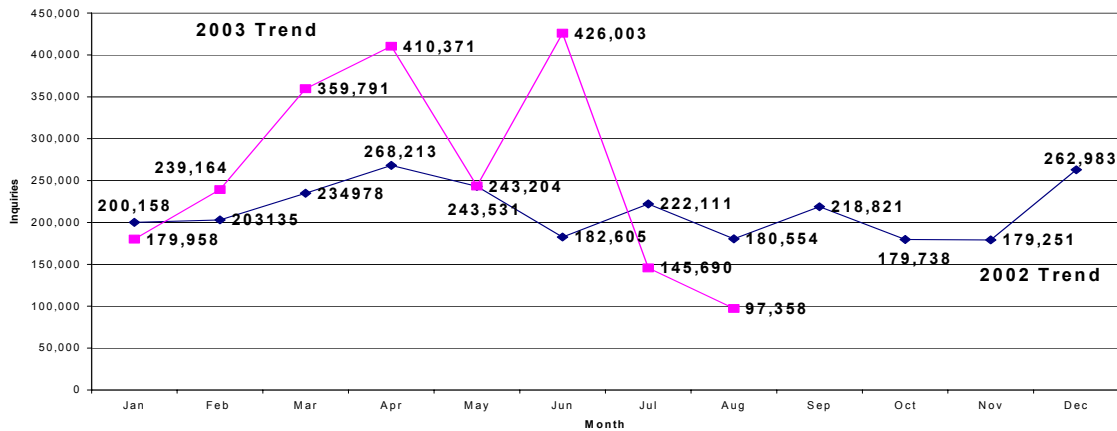
(Sources: Travel Industry Association of America, U.S. Department of Commerce, Air Transport Association, Smith Travel Research)

D. 2004 Economic Forecasts for the United States (% Change versus prior year)

Indicator	3 rd Q 2003	4 th Q 2003	2004 Projection
U. S. Real GDP	+4.6%	+3.8%	+4.1%
Personal Income	+4.0%	+4.6%	+5.2%
Total Consumption	+6.0%	+2.4%	+5.2%
Payroll Employment	-0.3%	+0.6%	+1.6%
Unemployment Rate	6.1%	6.1%	5.9%

(Sources: Travel Industry Association of America, Global Insight)

E. Louisiana Office of Tourism Inquiry Trend*



*Note: These monthly figures reflect the number of mail, telephone, e-mail and internet requests for the Louisiana Tour Guide. These figures also reflect the number of visits received by the Office of Tourism's website (louisianatravel.com) which contains all of the same information in the printed edition of the Tour Guide.

“Full industry recovery is still not yet complete as we approach the end of 2003. The industry’s recovery benchmark is the year 2000. It was the year travel demand peaked. The three years preceding 2000 had been strong ones; the three years after, years of weakness. Major leisure destinations that will match their 2000 visitor levels by year-end are Las Vegas and Walt Disney World/Orlando. Still lagging behind 2000 will be the Caribbean (-6%) and Hawaii (-9%). The latter destination has been hurt most by declines in its international inbound arrivals (-25%), while their domestic visitor counts are up (+6%) since 2000. Outbound European travel, by Americans, after soaring during 1997-2000 (+30%) is down dramatically from its peaks (-20%). Cruises will outpace all other sectors, exceeding its 2000 passenger levels (+20%). Weakest industry sectors that will have to improve before a full recovery can be achieved are business travel and inbound foreign arrivals. Domestic business travel represents a third of total U.S. travel revenues. Foreign arrivals spending are 15 percent. Added together, the two represent almost half of all revenue.”

Source: *Travel Industry Indicators*, September 30, 2003, James V. Cammisa, Jr., Travel Industry Analyst