



Louisiana Travel Pulse

Winter 2002-2003

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 **Winter 2002-2003** season (December 2002 – February 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 **Winter** 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.

Winter 02-03 Performance At-A-Glance

Hotel Occupancy Rate: +0.4%
Hotel ADR: -12.5%
Hotel Room Supply: +2.2%
Hotel Room Demand: -3.4%
State Visitor Center Visitors: -2.0%
Riverboat Gross Revenue: -1.9%
Airport Enplanements: +0.1%
State Parks Visitors: -3.2%
Local Information Center Visitors: -7.4%
Attractions Visitors: -10.6%

Note: These Louisiana indicators show the percentage difference from Winter 01-02 to Winter 02-03.

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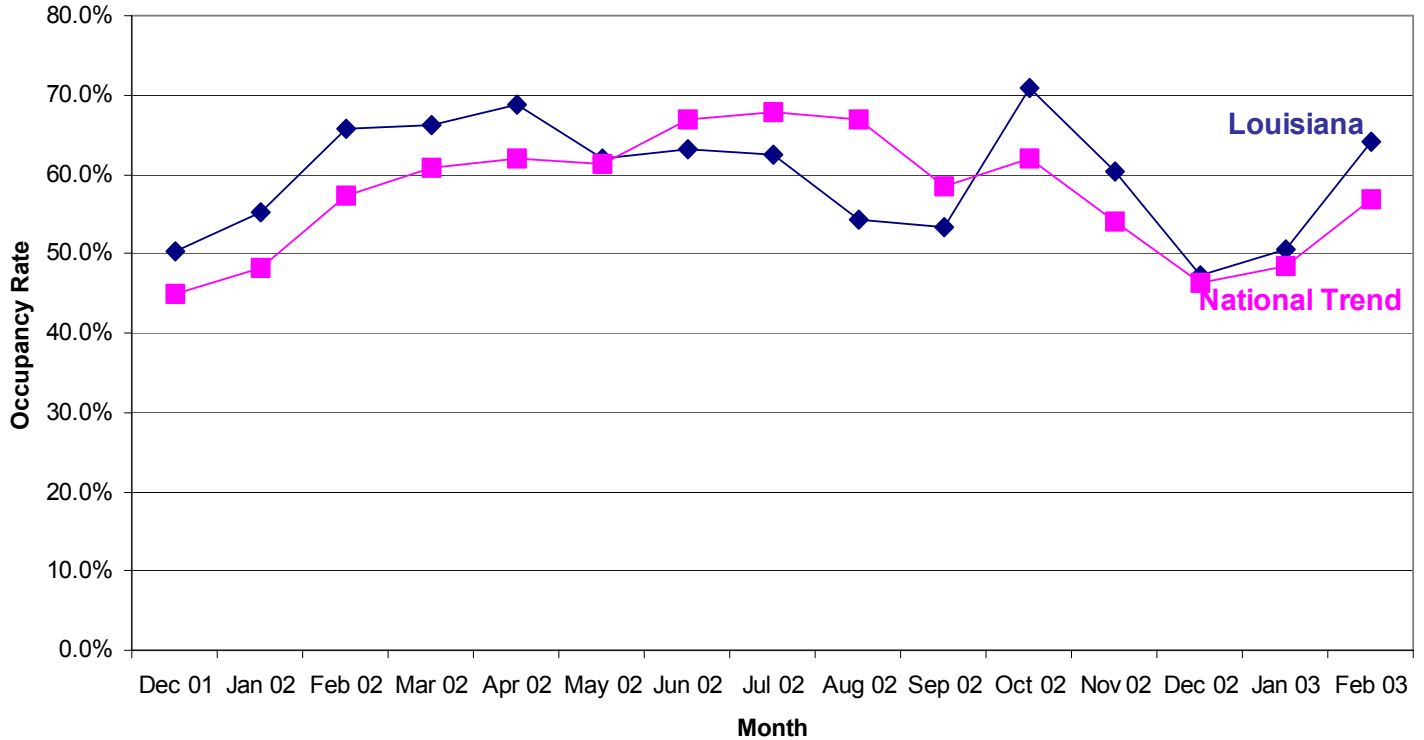
Factors Influencing Winter 02-03 Travel To Louisiana

Consumer confidence lowest in many years due to looming war with Iraq...Nationwide “yellow” (elevated) threat condition changed to “orange” (high) on February 7, 2003, according to a White House publication in which the “high” level condition indicates “high risk of terrorist attacks...TIA Traveler Sentiment Index for 4th quarter 2002 hits lowest point since index began in 2000...Indicators show signs of air travel finally leveling off and starting to increase in year-to-year comparisons...Hotel plans and development slow down hotel room growth...Cold winter with record snowfalls in northeast slows some travel...Louisiana kicks off “Louisiana Purchase” advertising campaign...New Orleans Hornets brings first pro basketball team to city in many years...Louisiana experiences a slow Mardi Gras season at the end of February (Mardi Gras day is March 4th).

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

1. Hotel Trends – Occupancy Rate

Winter 2003 – Occupancy Rate Trend



Winter 2002 Season

Louisiana hotel/motel occupancy: 53.9%

% difference from prior year: +0.4%

% difference from 5 years ago: -11.2%

U.S. hotel/motel occupancy: 50.5%

% difference from prior year: +3.5%

% difference from 5 years ago: -7.8%

Occupancy rates in Louisiana showed almost no growth over the winter due to the slightly increased number of rooms available. Nationwide occupancy improved more significantly even though the number of rooms available also rose by almost 2%.

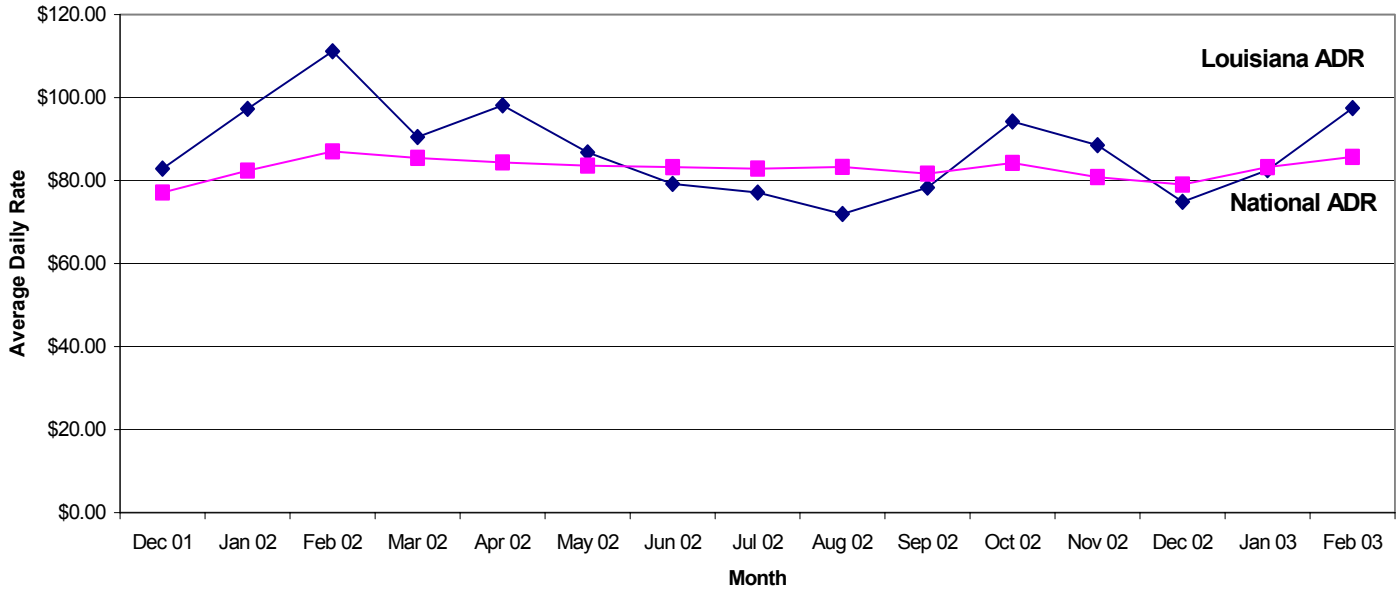
Source: Smith Travel Research

“A 13-year analysis of the relationship between gasoline prices and lodging demand found that a 1-percent increase in gasoline prices results in a drop of rooms demand of 1.74 percent. The study, which is based on brand-name hotels in the United States, was done at The Center for Hospitality Research (Cornell University). The researchers examined monthly room-night data from 1988 through 2000 from the Smith Travel Research database. The researchers also factored gross domestic product into their analysis and included a trend factor as an additional control. All room rates were adjusted to year-2000 dollars using the consumer-price index (CPI). Examining the effects of gasoline-price increases on various lodging segments, the researchers determined that the effects of rising gasoline prices fall most heavily on midscale and economy hotels, with a lesser effect on upscale properties. The effects of gasoline-price changes are magnified in hotels located along highways - that is, those that depend chiefly on automobile access. The most gasoline-price-sensitive group comprises midscale and economy hotels located in highway and suburban locations.”

Source: Cornell University, Center for Hospitality Research (www.hotelschool.cornell.edu/chr/)

2. Hotel Trends – Average Daily Rate

Winter 2003 – Average Daily Rate Trend



Winter 2003 Season

Louisiana hotel/motel average daily rate: \$84.97

% difference from prior year: -12.5%

% difference from 5 years ago: +4.4%

U.S. hotel/motel average daily rate: \$82.66

% difference from prior year: +0.6%

% difference from 5 years ago: +7.5%

Louisiana’s average daily rate for the winter was the lowest winter seasonal rate in five years. The state had experienced steady increases during the previous four years, from \$85.69 in 1999 to \$92.11 in 2002.

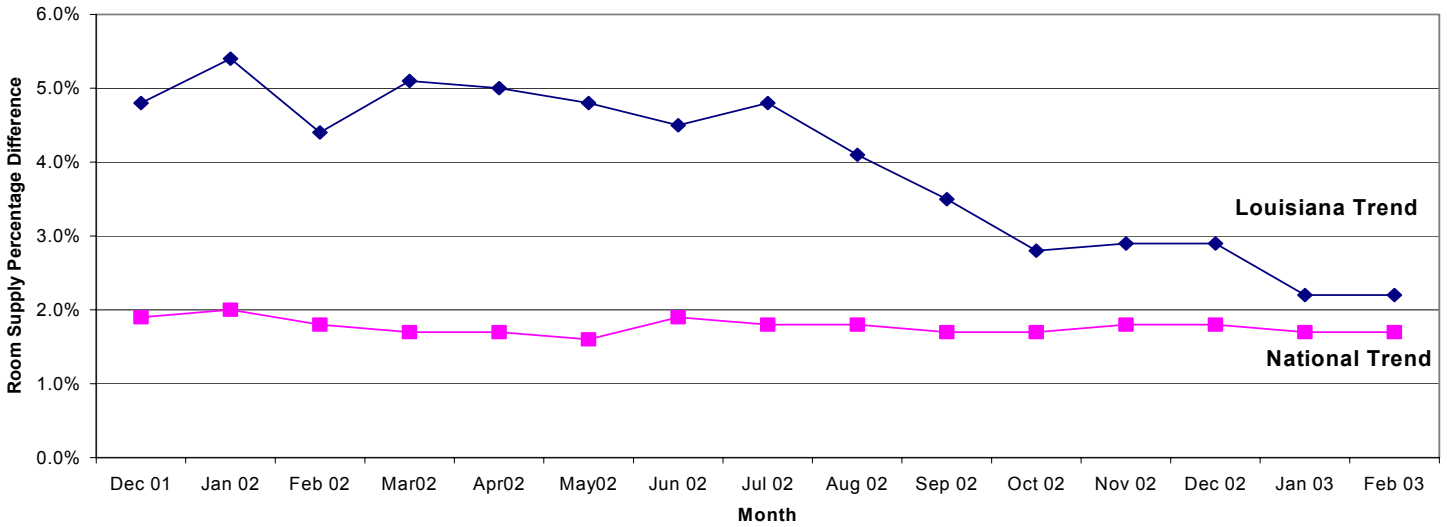
Source: Smith Travel Research

“Special Analysis: The Year 2002 in Review – Room occupancy nationally was down 1 percent in 2002 although the trend in room demand has been rising since mid-year. The recession was declared over early in the year, but the recovery has been slow and the threats of more terrorist attacks and the possibility of war with Iraq have affected consumer confidence. Room demand was less than 1 percent higher than a year ago and RevPAR dropped 2.5 percent as the number of available rooms rose almost 2 percent. The 12-month moving average trends in supply, demand and RevPAR for the past five years are shown in Chart 1. With the rate of growth in supply declining and demand rising, the negative change in RevPAR has been decreasing since July although it is still not positive. Some industry segments had a greater impact on the national totals than others. In general, demand rose slightly in limited-service, chain-affiliated hotels in other than the top markets helping to partially offset declines in that measure in independent, full-service properties in the major cities.”

Source: *Lodging Outlook*, Smith Travel Research, February 2003

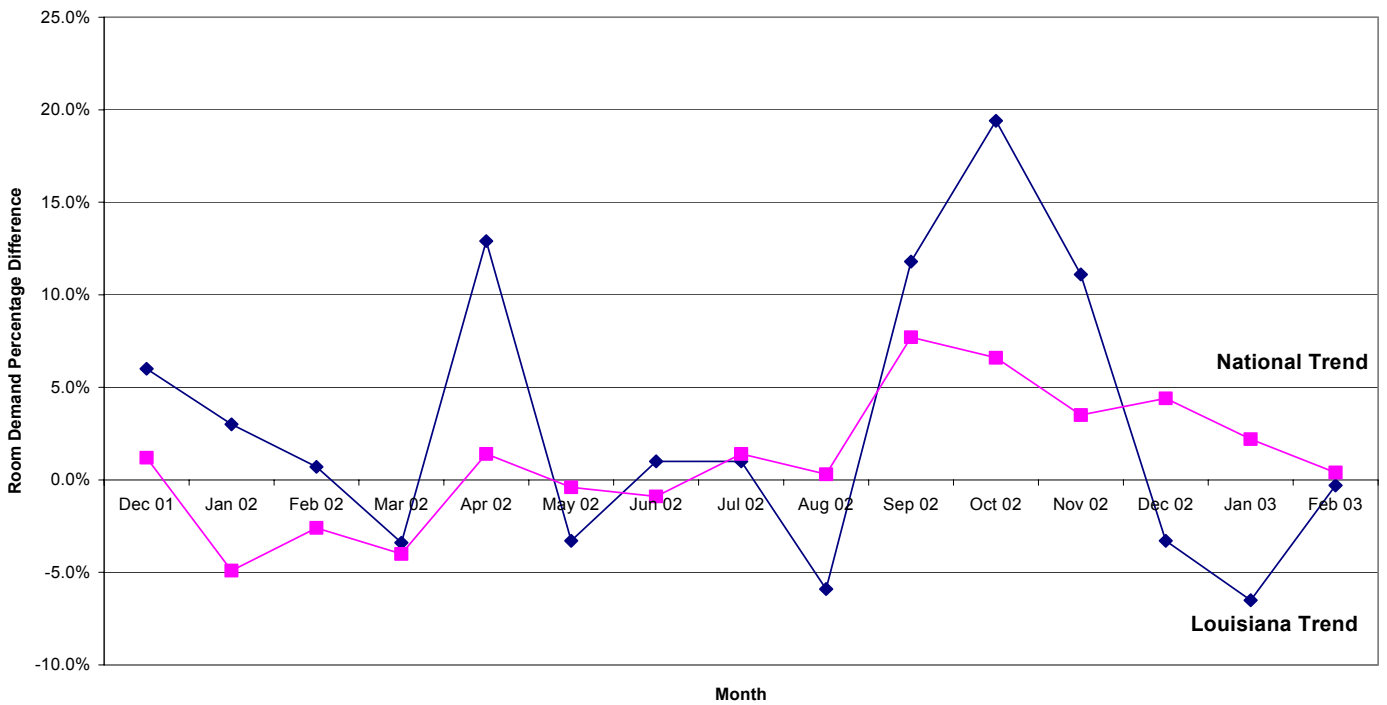
3. Hotel Trends – Room Supply

Winter 2003 – Room Supply Trend



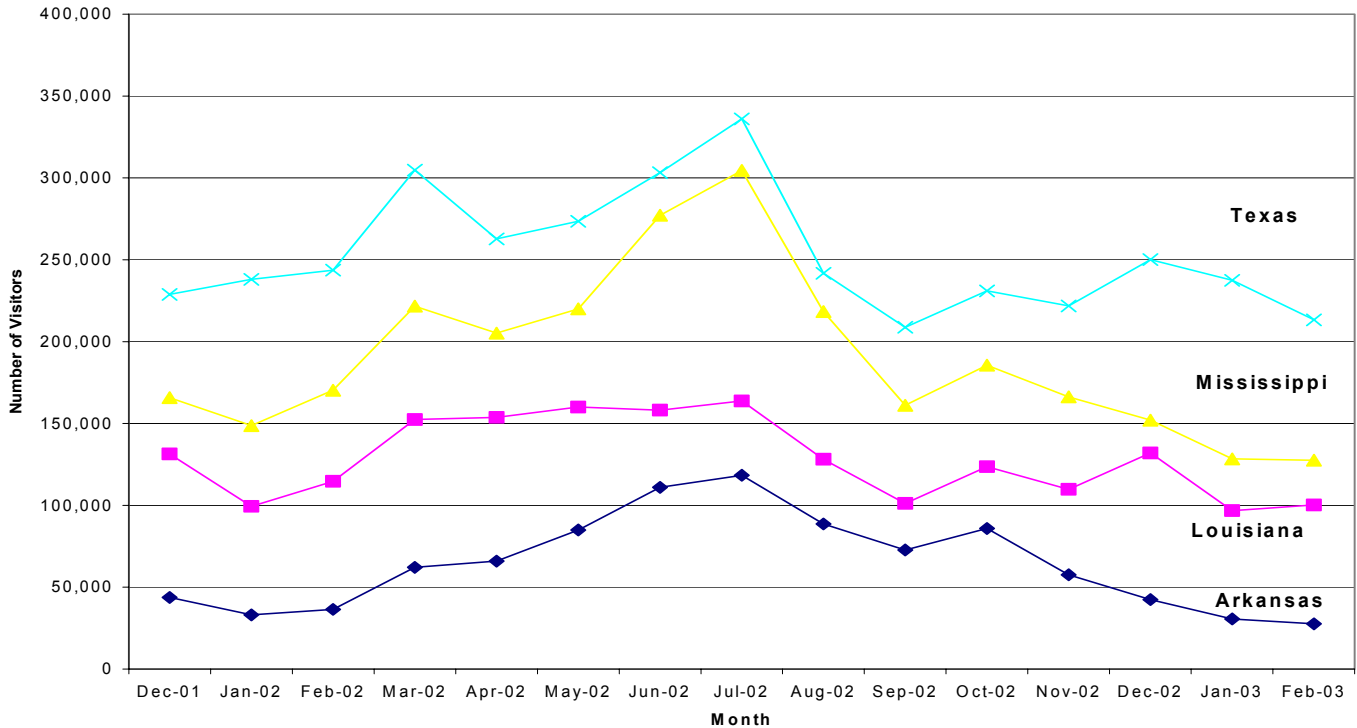
4. Hotel Trends – Room Demand

Winter 2003 – Room Nights Sold Trend



5. State Information Center Visitors

Winter 2002-03 State Welcome Center Visitor Trend



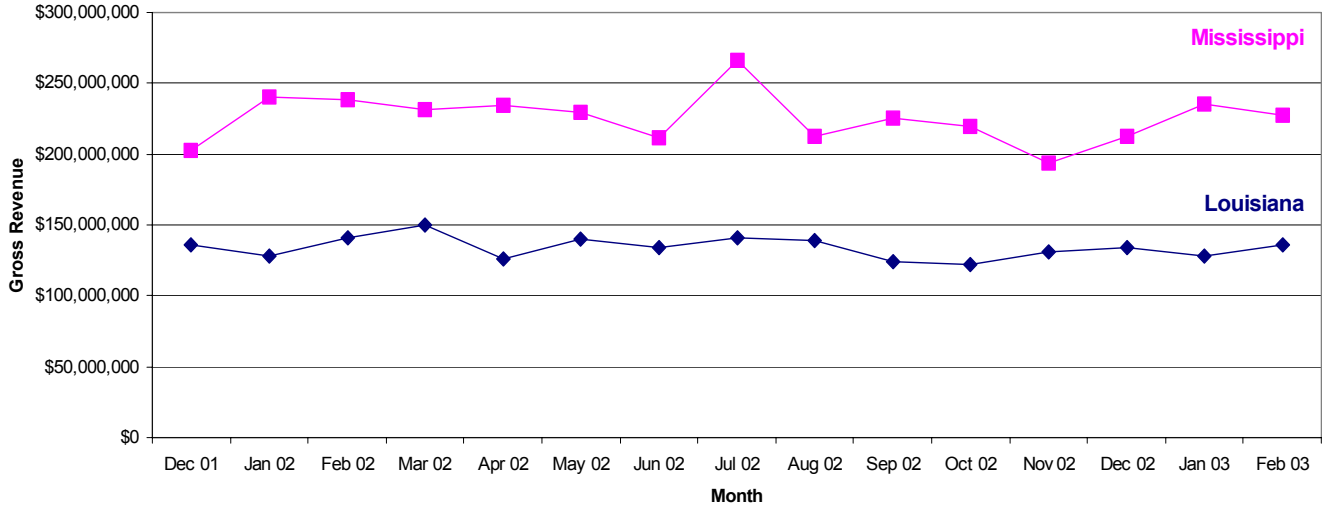
	Arkansas	Louisiana	Mississippi	Texas
Winter 02-03 Trend*				
Number of Visitors	100,516	328,943	407,951	700,794
% difference from prior year	-11.2%	-2.0%	-15.8%	-1.4%

* 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**
- Over 3 million visitors stopped at the 12 Texas state welcome centers last year. Louisiana recorded almost 1.6 million at its 10 centers, and Mississippi recorded 2.4 million at its 11 centers.
 - Louisiana has a new northern regional coordinator for the Louisiana Welcome Center program. She is Grace Silverstein, formerly the supervisor for the Greenwood Welcome Center in Interstate 20 near Shreveport.
 - The traffic at the Vinton (Interstate 10 Eastbound) Center is still hampered by road construction in front of the center.
 - Kentwood (Interstate 55 Southbound) Center personnel moved into their new center last month.
 - The replacement of the Pearl River (Interstate 59 Southbound) Center will start next month and the existing center will be shut down for several months while the new center is under construction.

6. Riverboat Gaming

Winter 2003 – Gross Revenue Trend



	Louisiana	Mississippi
Winter 2003 Season		
Total Gross Revenue	\$397,765,525	\$674,882,970
% difference from prior year	-1.9%	+1.3%
% difference from 5 years ago	+25.2%	+31.1%

Sources: Louisiana State Police, and Mississippi State Tax Commission (<http://www.mstc.state.ms.us/index.html>)

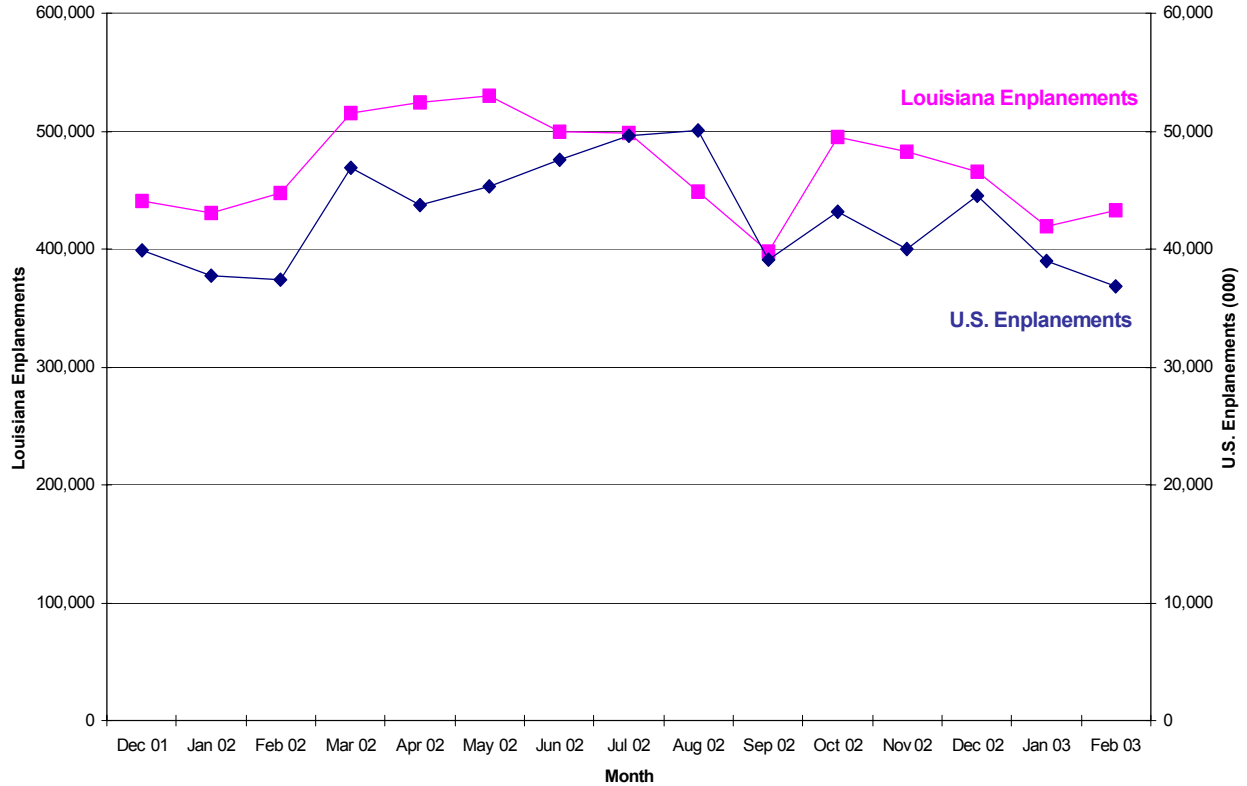
- The gross revenue for Louisiana’s land based casino in New Orleans for the Winter of 2003 was \$69,368,140, 4.3 % greater than the Winter 2002.
 - The total gross revenue for Louisiana’s riverboats, land-based casino, and racetrack slot machines for the Winter of 2003 was \$499,575,833, 4.1% greater than the Winter of 2002.
- Source: Louisiana Gaming Control Board (<http://www.dps.state.la.us/lgcb/welcome.html>)

“Gaming interests are also showing resilience (nationwide) in the downturn. Harrah’s with its broad geographic presence and its ability to attract day visitors, was profitable, helped by a 2.5 percent increase in its first quarter (2003) revenues.”

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

7. Airport Passenger Enplanements

Winter 2003 Enplanements Trend



Winter 2003 Season

Louisiana Airport Enplanements: 1,318,091

% difference from prior year: +0.1%

% difference from five years ago: +2.4%

U.S. Airport Enplanements: 120.4 million

% difference from prior year: +5.7%

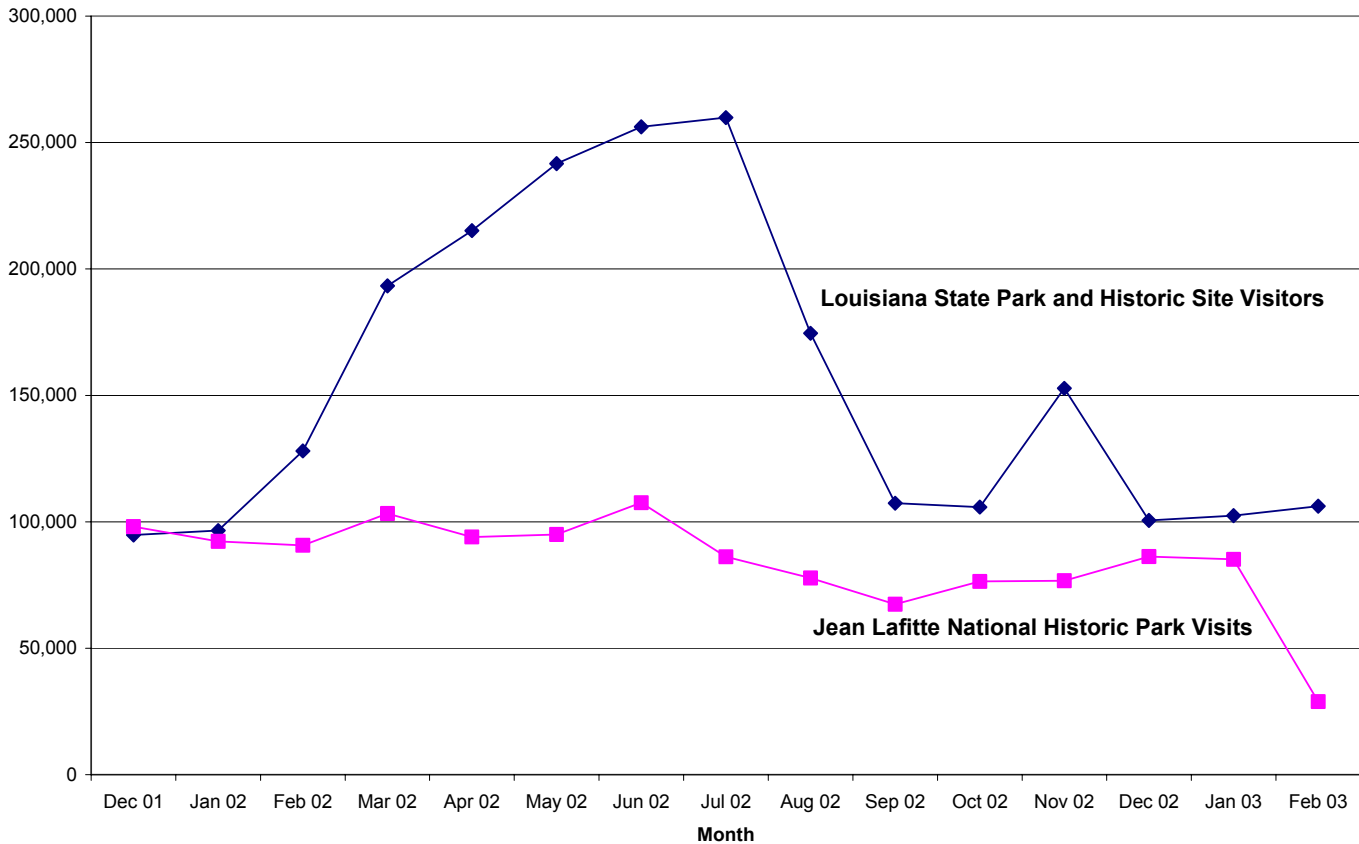
% difference from five years ago: -5.0%

The downturn from the events of September 11, 2001 on air travel may have finally hit bottom. Every seasonal measurement since that event occurred resulted in a decline in traffic until this past season. As seen above, both the enplanements in Louisiana and at the national level finally recorded growth and not a decline. However, this may be temporary since the Department of Homeland Security raised the alert status on February 7, 2003 to “orange” with the coming of the war on Iraq; and this probably had a negative effect during the months of March and April. The “orange” threat condition (high) was not changed back down to “yellow” (elevated) until April 16, 2003.

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

8. State and National Park Visitors

Winter 2003 Park Visitors Trend



Winter 2003 Season

Louisiana State Parks and Historic Site Visitors: 309,179
 % difference from prior year: -3.2%

Jean Lafitte National Historical Park Visits: 200,113
 % difference from prior year: -28.8%

Louisiana currently has 17 state parks, 16 state historic sites and State Arboretum. Jean Lafitte National Historical Park currently has six units located around the state.

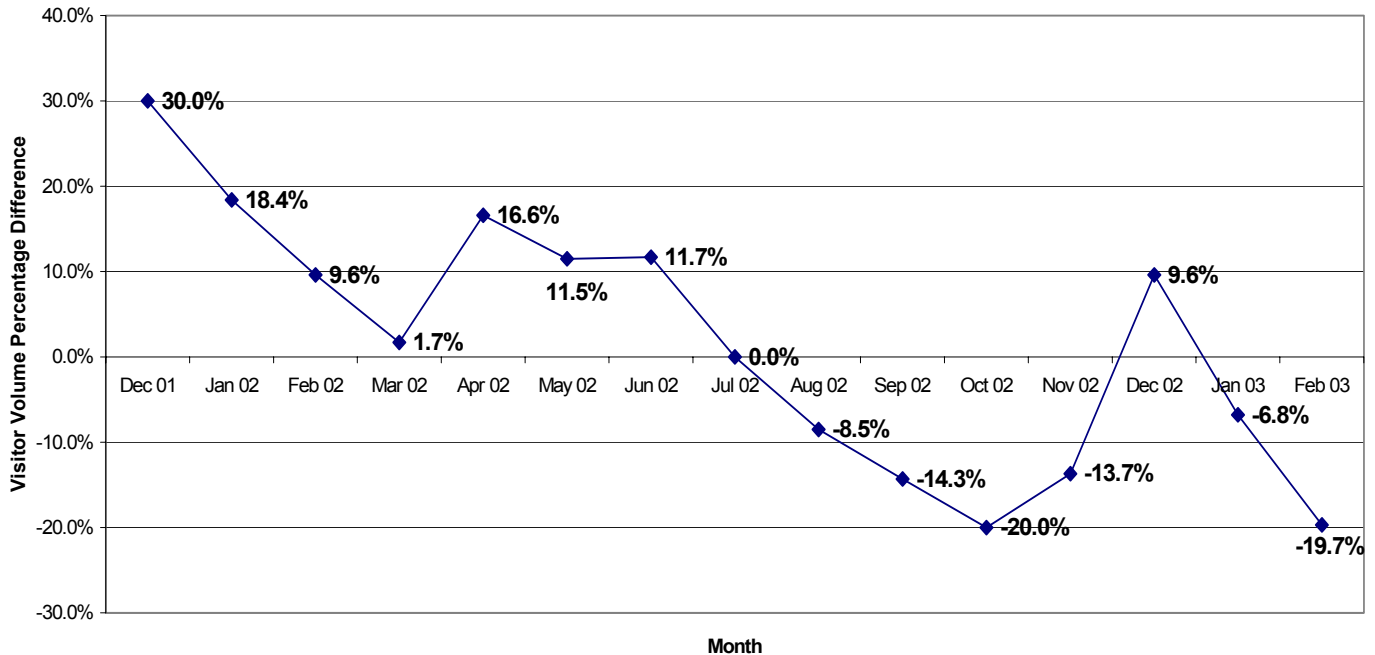
Source: Louisiana Office of State Parks, and the U.S. National Park Service (<http://www2.nature.nps.gov/stats/>)

“Summer pleasure travel should show more strength than most anticipate... But domestic close-to-home drive vacations will again do better than vacations involving air travel to more distant destinations.”

Source: *Travel Industry Indicators*, March 27, 2003, James V. Cammisa, Jr., Travel Industry Analyst

9. Local Tourist Information Centers

Winter 2003 – Tourist Center Visitor Trend



Winter 2003 Season

Louisiana local tourist information center visitors: 100,615
 % difference from prior year: -7.4%

During the Winter season, 12 reported increased visitor volume and 13 recorded a decrease in visitors compared to the previous Winter season.

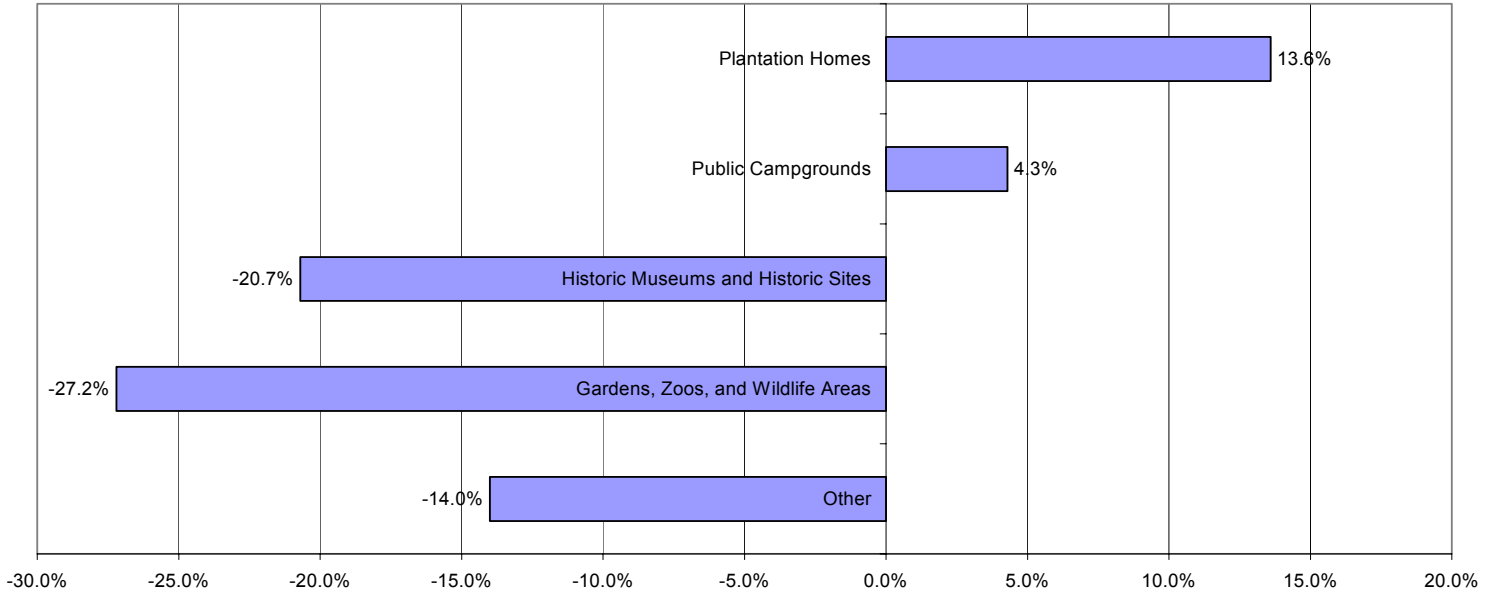
Source: Louisiana Office of Tourism. Local information center visitors are operated by municipal and parish tourist bureaus throughout Louisiana. Most use registration sheets to record the volume of visitors who enter the centers for travel information.

“We’ll probably set two new records this year. The number of Americans traveling overseas may be at historic lows. And the number of Americans choosing to take a driving vacation within the U.S. may approach all-time highs,” remarked William S. Norman, president and CEO of the Travel Industry Association of America. The impact of the war and the weakened economy continues to affect business travel, already down more than 10 percent since 2000, with more than one-quarter (26%) of business travelers traveling less or not at all this spring or summer compared to last year. Only 9 percent say they’ll travel more. Of those planning to travel less or not at all, reasons given included reduced travel budgets (39%), no need to travel (38%), high cost of travel (29%), not wanting to be away from home (21%), and restriction of trips by employer (15%). The TIA survey also found that the economy, not the war, was the most important factor for domestic leisure travelers who decided to change their travel plans. In fact, 33 percent of past year travelers have made changes in their leisure travel plans due to a weakened economy compared to only 22 percent due to the threat of war.”

Source: *TIA Press Release, April 5, 2003, By Kathy Keefe, TIA Press Secretary*
 (<http://www.tia.org/press/pressrec.asp?Item=267>)

10. Attractions Visitors

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



Winter 2003 Season

The Louisiana Office of Tourism received visitor counts from 76 attractions across the state. Numbers were received from 5 plantation homes, 17 public campgrounds, 38 historical museums and historic sites, 5 gardens, zoos and wildlife areas, and 12 other attractions. The total number of visitors to Louisiana's attractions declined by 10.6% during the Winter 2003 Season (December-February) compared to the previous Winter season. The majority of the attractions in three of the five regions suffered declines in visitation. The regional trend is similar to that of the local information centers. Most of those information centers and attractions in both Cajun Country and Greater New Orleans experienced decreased attendance during the Winter 2003 Season. Whereas in the Sportsman's Paradise and Plantation Country regions, slightly more than half of the attractions and information centers experienced increased visitors. The attendance figures alone do not point to any clear reasons why some attractions or regions have less attendance while others do not. However, travel surveys do show that people are staying closer to home than in the past due to economic conditions and world events. As these circumstances improve, more people are expected to travel during the rest of the year.

	Winter 2003	Fall 2002	Summer 2002	Spring 2002	Winter 2002
Number of Sites w/increased attendance	29	32	38	41	52
Number of Sites w/decreased attendance	47	53	46	39	28
Percentage difference from previous year*	-10.6%	-13.1%	-1.2%	0.0%	+4.8%

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

11. Regional Trends - Winter

Greater New Orleans	2002/03	2001/02	% +/-
New Orleans International Airport			
Passenger Enplanements	1,059,195	1,075,178	-1.5%
New Orleans Hotel-Motel Occupancy Rate			
December	47.4%	55.0%	-13.8%
January	52.0%	61.7%	-15.7%
February	60.0%	69.9%	-1.3%
New Orleans Visitor Center	26,793	26,996	-0.8%
Slidell Visitor Center	83,169	82,739	+0.5%
Kentwood Visitor Center	26,410	27,417	-3.7%
Pearl River Center	29,908	36,781	-18.7%
Parks, Attractions, Museums	669,238	739,974	-9.6%

Plantation Country	2002/03	2001/02	% +/-
Baton Rouge Metro Airport Airport			
Passenger Enplanements	85,864	80,642	+6.5%
Baton Rouge Hotel/Motel Occupancy Rate			
December	47.7%	42.4%	+12.5%
January	52.1%	46.4%	+12.3%
February	63.8%	58.5%	+9.1%
State Capitol Visitor Center	22,741	23,222	-2.1%
St. Francisville Visitor Center	7,326	8,214	-10.8%
Parks, Attractions, & Museums	96,904	94,841	+2.2%

Cajun Country	2002/03	2001/02	% +/-
Lafayette Regional Airport			
Passenger Enplanements	34,774	39,097	-11.1%
Lake Charles Regional Airport			
Passenger Enplanements	9,741	11,688	-16.6%
Lafayette Hotel-Motel Occupancy Rate			
December	57.1%	46.5%	+22.8%
January	54.8%	51.1%	+7.2%
February	67.0%	62.6%	+7.0%

Lake Charles Hotel-Motel Occupancy Rate

December	47.2%	52.9%	-10.8%
January	54.9%	61.9%	-11.3%
February	64.0%	70.9%	-9.7%

Vinton Visitor Center.....	39,724	39,329	+1%
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Parks, Attractions, & Museums	120,828	151,108	-20.0%
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Crossroads	2002/03	2001/02	%+/-
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England International Airport

Passenger Enplanements.....	30,140	25,016	+20.5%
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Alexandria Hotel-Motel Occupancy Rate

December	39.9%	38.1%	+4.7%
January	46.1%	51.6%	-10.7%
February	49.6%	56.9%	-12.8%

Vidalia Visitor Center.....	5,156	5,228	-1.4%
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Parks, Attractions, & Museums	41,496	62,374	-33.5%
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Sportsman's Paradise	2002/03	2001/02	%+/-
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Shreveport Regional Airport

Passenger Enplanements.....	73,936	66,865	+10.6%
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Monroe Regional Airport

Passenger Enplanements.....	24,441	19,695	+24.1%
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Shreveport Hotel-Motel Occupancy Rate

December	49.5%	48.3%	+2.5%
January	48.8%	47.7%	+2.3%
February	63.1%	65.2%	-3.2%

Monroe Hotel-Motel Occupancy Rate

December	47.3%	52.5%	-9.9%
January	51.0%	58.6%	-13.0%
February	56.7%	68.1%	-16.7%

Greenwood Visitor Center	47,178	45,314	+4.1%
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Mound Visitor Center	40,538	40,488	+0.1%
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Parks, Attractions, and Museums.....	101,727	104,530	-2.7%
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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.