



## Second Quarter 2005

The Louisiana Travel Pulse is a quarterly industry travel barometer designed to present recent trends in travel industry performance. This issue's emphasis is on the **Second Quarter 2005** season (**April 2005 – June 2005**). 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 three primary parts. The first part shows statewide indicators for hotels, airports, visitor centers, riverboat gaming, parks, and attractions (pages 2-9). The second part of the Pulse contains a regional analysis of the **Second Quarter 2005** using some of these same indicators (pages 10-11). The final element contains leading indicators (pages 12).

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.

### Louisiana Second Quarter 2005 Performance At-A-Glance

Hotel Occupancy Rate: +1.5%  
 Hotel ADR: -2.9%  
 Hotel Room Supply: +0.4%  
 Hotel Room Demand: +2.1%  
 State Visitor Center Visitors: +3.9%  
 Total Gaming Revenue: +4.3%  
 Airport Enplanements: +2.5%  
 State Parks and Historic Sites Visitors: +20.2%  
 Local Information Center Visitors: +5.7%  
 Attractions Visitors: +7.3%

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*Note: These Louisiana indicators show the percentage difference from Second Quarter 2004 to Second Quarter 2005.*

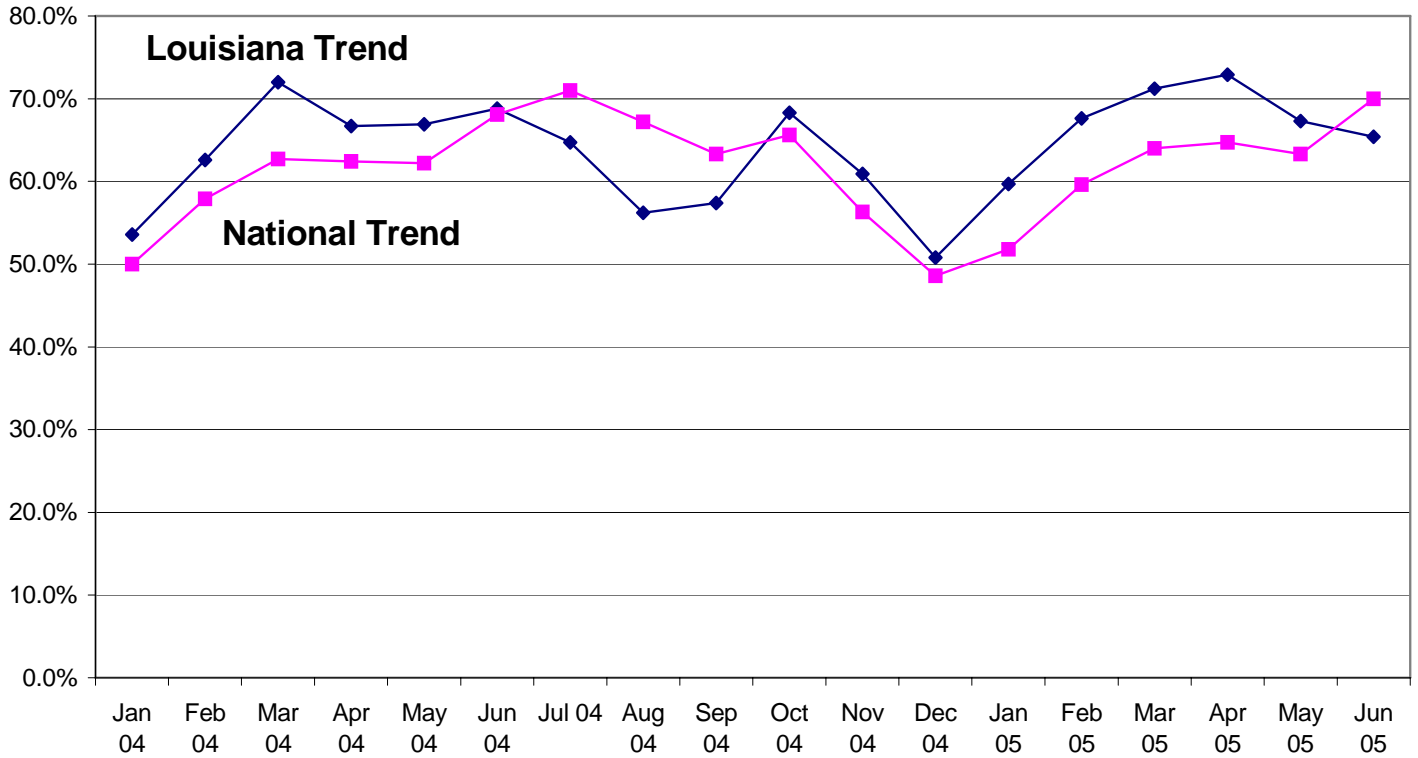
### Factors Influencing Second Quarter 2005 Travel To Louisiana

According to most industry experts 2005 will be the second consecutive year of strong industry performances.... Most performance indicators for Louisiana are higher at mid-year than last year.... Economic indicators such as disposable income and spending are higher despite rising gasoline prices ... Fuel prices were at record levels and getting higher which has affected consumer confidence... Short term trends in the value of the dollar have had minor adverse influences international travelers but the U.S. and Louisiana are still receiving more international travelers.... Louisiana's largest tourism advertising campaign (Spring 2005) produces over 3.2 million mail and internet inquiries during Fiscal Year 2005.

Previous copies of the Louisiana Travel Pulse are available on the web at: [www.latour.lsu.edu](http://www.latour.lsu.edu)

# 1. Hotel Trends - Occupancy Rate

## Second Quarter 2005 – Occupancy Rate Trend



**Second Quarter 2005**

<p><b>Louisiana hotel/motel occupancy: 68.5%</b> % difference from prior year: +1.5%</p>	<p><b>U.S. hotel/motel occupancy: 66.0%</b> % difference from prior year: +2.8%</p>
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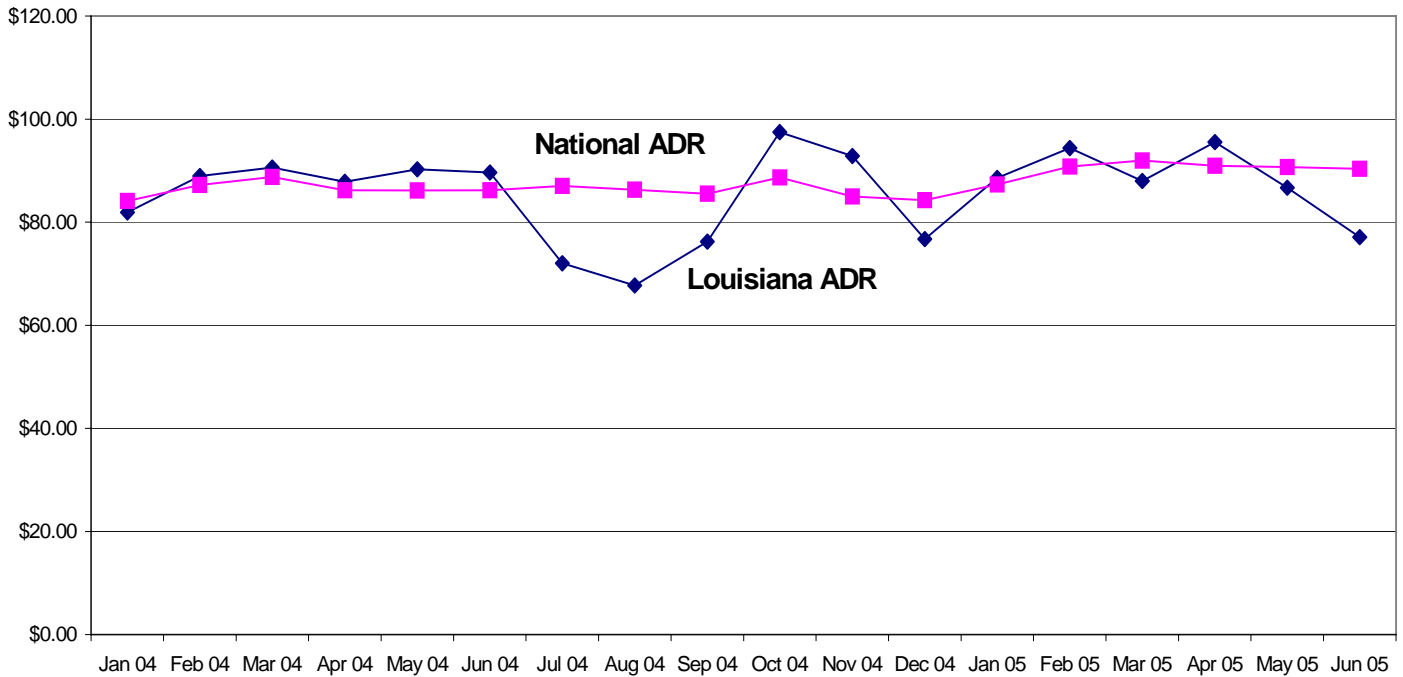
**2005 Performance (January-June)**

<p><b>Louisiana hotel/motel occupancy: 67.4%</b> % difference from prior year: +3.4%</p>	<p><b>U.S. hotel/motel occupancy: 62.2%</b> % difference from prior year: +2.8%</p>
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Source: Smith Travel Research

## 2. Hotel Trends - Average Daily Rate

### Second Quarter 2005 – Average Daily Rate Trend



#### Second Quarter 2005

**Louisiana hotel/motel average daily rate: \$86.43**  
 % difference from prior year: -2.9%

**U.S. hotel/motel average daily rate: \$90.65**  
 % difference from prior year: +5.3%

#### 2005 Performance (January-June)

**Louisiana hotel/motel average daily rate: \$88.34**  
 % difference from prior year: +0.1%

**U.S. hotel/motel average daily rate: \$90.45**  
 % difference from prior year: +4.8%

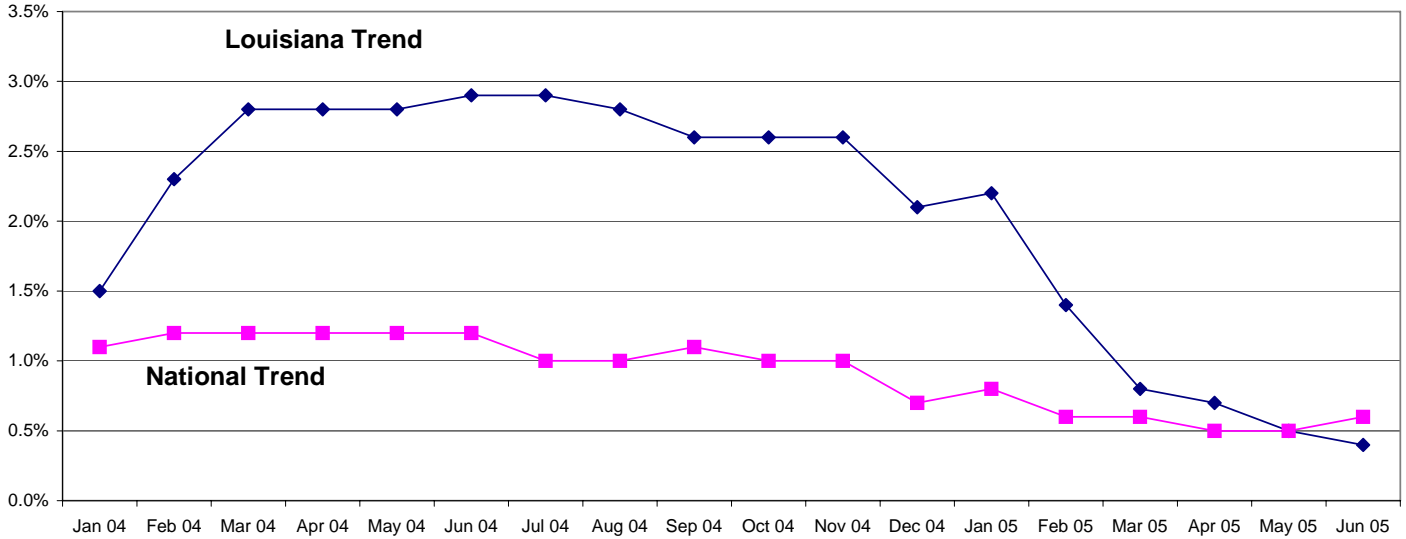
Source: Smith Travel Research

Industry occupancy reached 66.0 percent in the three months ending June 2005, up 2.8 percent versus second quarter 2004. Second quarter average room rate gained 5.3 percent to \$90.63 and revenue per available room (REVPAR) --- the combination of occupancy and average room rate and a key industry productivity measure --- increased 8.3 percent to \$59.81. In the first half of 2005, industry occupancy improved 2.8 percent to 62.2 percent versus same period prior year. Average room rate was up 4.8 percent to \$90.45 and REVPAR gained 7.8 percent to \$56.31. First half industry room supply increased 0.5 percent while demand (room nights sold) grew 3.3 percent. Room revenue improved 8.3 percent in the first six months of 2005 to \$45 billion. "First half industry performance (nationwide) was good, particularly considering prior year comps were fairly tough", said Mark Lomanno, President of Smith Travel Research. "New room supply growth continues to hover at historically low levels and demand growth is solid. We expect these trends will continue in the second half and are currently forecasting full year REVPAR growth of around 7.5 percent, driven primarily by room rate", Lomanno added."

Source: *STR Second Quarter 2005 News Release*, Smith Travel Research, July 22, 2005.

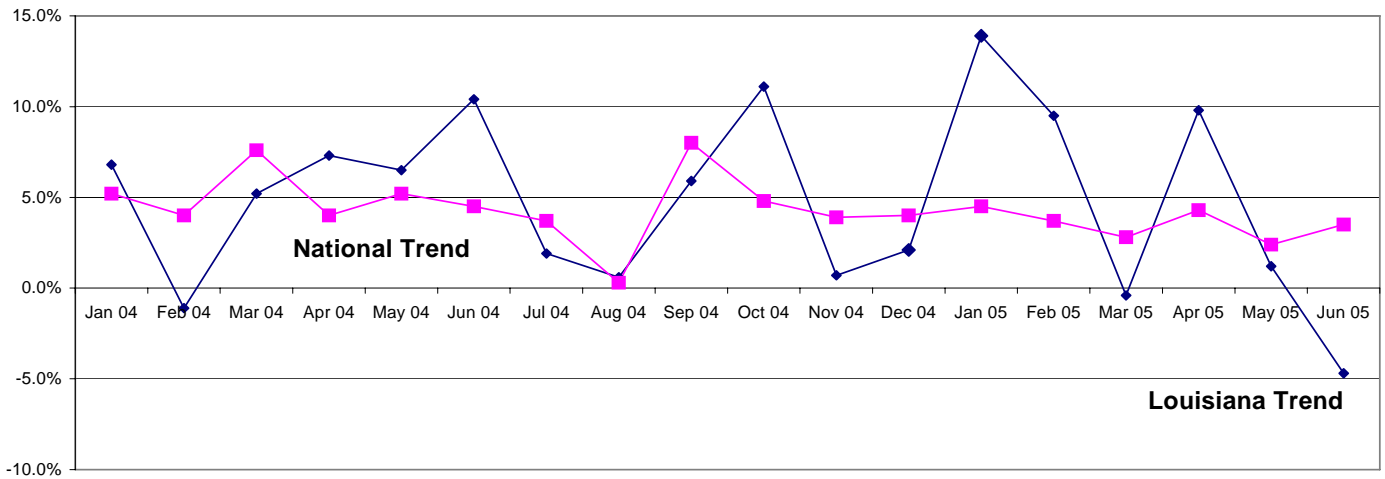
### 3. Hotel Trends - Room Supply

Second Quarter 2005 – Room Supply Trend



### 4. Hotel Trends - Room Demand

Second Quarter 2005 – Room Nights Sold Trend

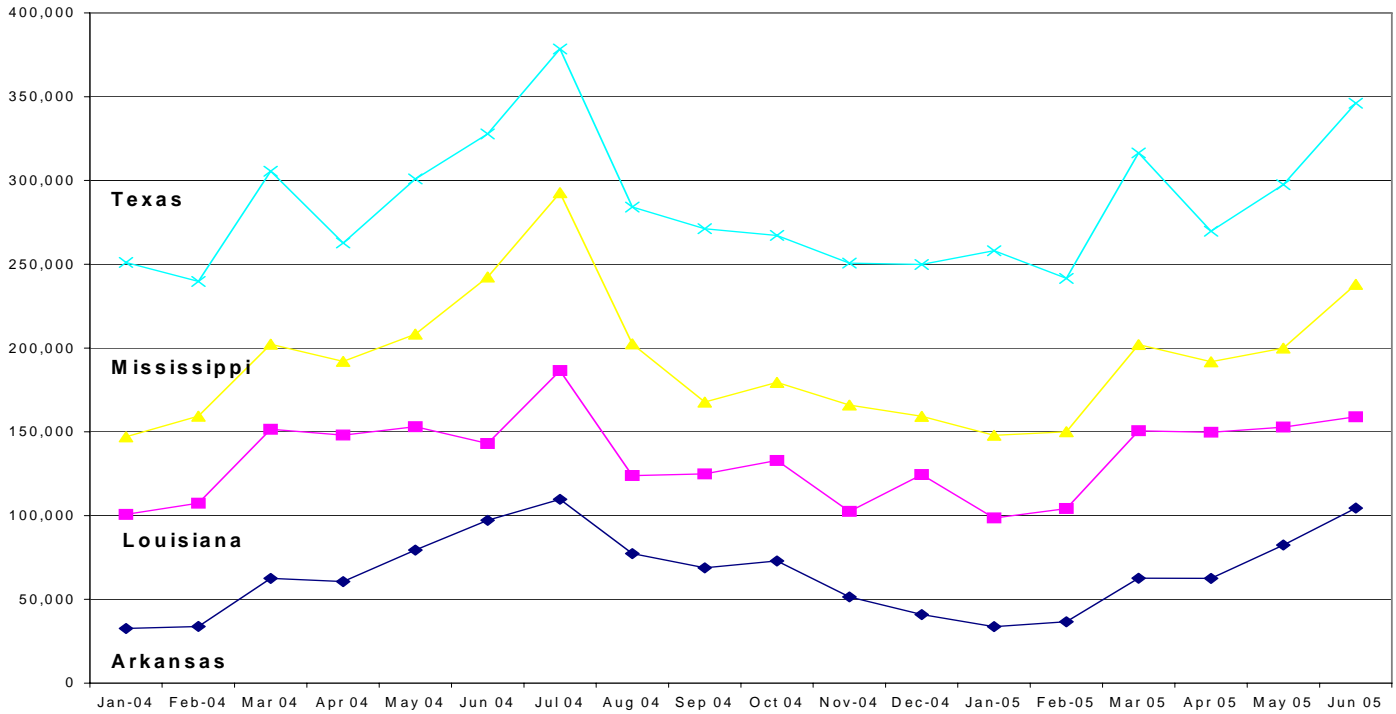


“On a net basis, 2005 will be recorded as a year in which our industry completed its two-year recovery after the prolonged three-year 2001-2003 downturn. Encouraging in this recovery are several factors worth noting. The broad scope of the recovery is positive news. The recovery has encompassed both business and leisure travel, both domestically and internationally. The business travel recovery is particularly important because it is high revenue/high yield business. This is most evident in the domestic hotel sector, where, for example, urban properties largely used by business travelers are showing double digit RevPAR gains.”

Source: *Travel Industry Indicators*, June 30, 2005, James V. Commisa, Jr., Travel Industry Analyst

## 5. State Information Center Visitors

### Second Quarter 2005 State Welcome Center Visitor Trend



	Arkansas	Louisiana	Mississippi	Texas
<b>Second Quarter 2005 Trend*</b>				
Number of Visitors	249,328	461,369	629,745	913,463
% difference from prior year	+5.1%	+3.9%	-2.0%	+2.5%
<b>Year-To-Date Trend (January-June)</b>				
Number of Visitors	382,265	814,741	1,129,808	1,729,557
% difference from prior year	%+4.4	+1.4%	-1.9%	+2.5%

\*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.

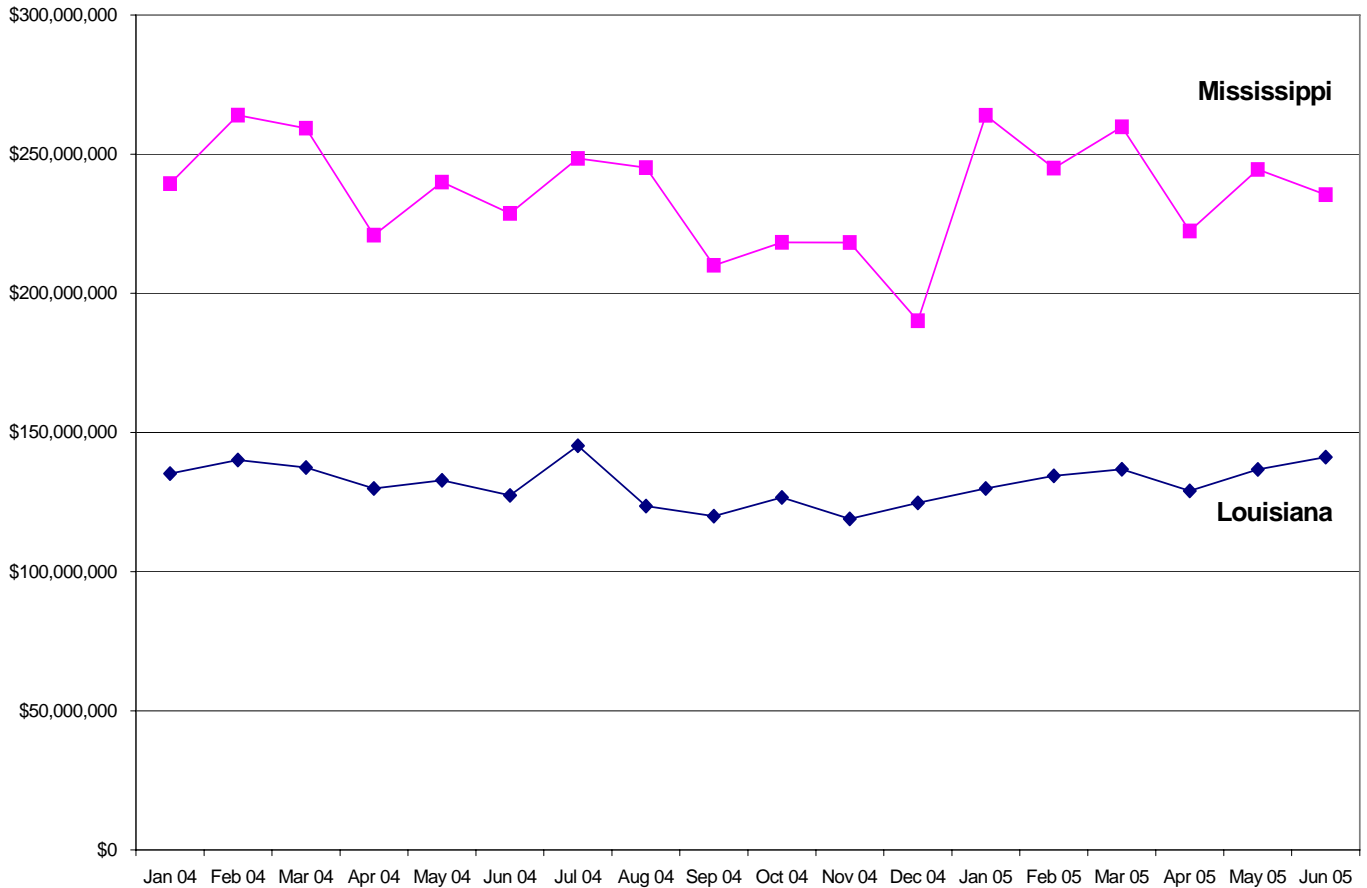
Source: Louisiana Office of Tourism

Weekly U.S. Gas Prices – January-June 2005										
Month	Week	Price	Week	Price	Week	Price	Week	Price	Week	Price
January	1/3	\$1.99	1/10	\$1.99	1/17	\$2.02	1/24	\$2.05	1/31	\$2.10
February	2/7	\$2.10	2/14	\$2.09	2/21	\$2.10	2/28	\$2.11		
March	3/7	\$2.18	3/14	\$2.24	3/21	\$2.29	3/28	\$2.34		
April	4/4	\$2.40	4/11	\$2.46	4/18	\$2.43	4/25	\$2.43		
May	5/2	\$2.43	5/9	\$2.39	5/16	\$2.36	5/23	\$2.32	5/30	\$2.30
June	6/6	\$2.31	6/13	\$2.32	6/20	\$2.35	6/27	\$2.40		

Source: U.S. Department of Energy (<http://www.eia.doe.gov/emeu/international/gas1.html>)

## 6. Riverboat Gaming

### Second Quarter 2005 – Gross Revenue Trend

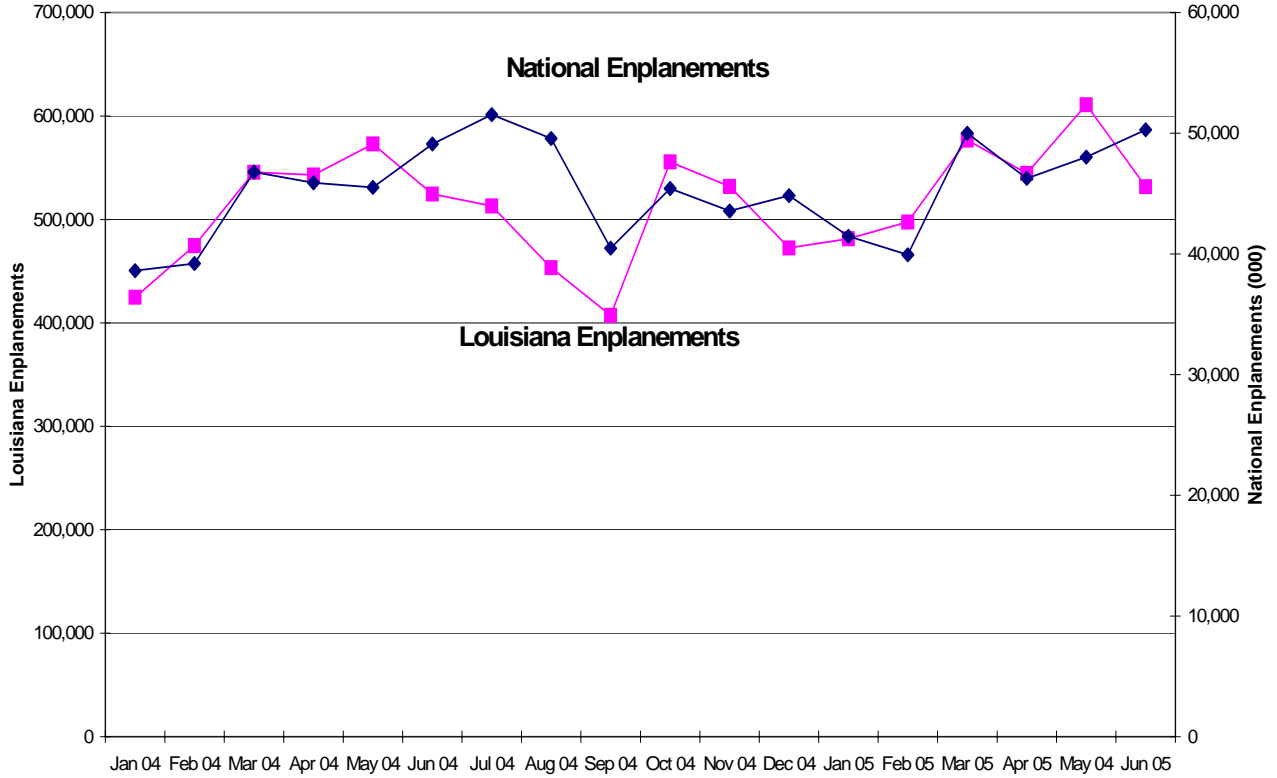


	Louisiana	Mississippi
<b>Second Quarter 2005</b>		
Total Gross Revenue	\$406,866,904	\$702,288,826
% difference from prior year	+4.3%	+1.9%
<b>2005 Year-to-Date (January thru June)</b>		
Total Gross Revenue	\$808,050,030	\$1,470,993,255
% difference from prior year	+0.6%	+1.4%
Sources: Louisiana State Police, and Mississippi State Tax Commission ( <a href="http://www.mstc.state.ms.us/index.html">http://www.mstc.state.ms.us/index.html</a> )		

- The gross revenue for Louisiana’s land based casino in New Orleans for January-June 2005 was \$178,129,913, 12.1% greater than the same period the year before.
  - The gross revenue from slot machines at Louisiana’s three racinos (Delta Downs, Harrah’s Louisiana Downs, and Evangeline Downs) for January-June 2005 was \$172,113,930, 24.6% greater than the same period in 2004.
  - The total gross revenue for Louisiana’s riverboats, land-based casino, and racetrack slot machines January-June 2005 was \$1.158 billion, 5.3% greater than the year before.
- Source: Louisiana Gaming Control Board (<http://www.dps.state.la.us/lgcb/welcome.html>)

## 7. Airport Passenger Enplanements

### Second Quarter 2005 Enplanements Trend



#### Second Quarter 2005

**Louisiana Airport Enplanements: 1,686,953**  
 % difference from prior year: +2.5%

**U.S. Airport Enplanements: 144.5 million**  
 % difference from prior year: +2.9%

#### 2005 Performance (January-June)

**Louisiana Airport Enplanements: 3,242,207**  
 % difference from prior year: +4.7%

**U.S. Airport Enplanements: 275.9 million**  
 % difference from prior year: +4.1%

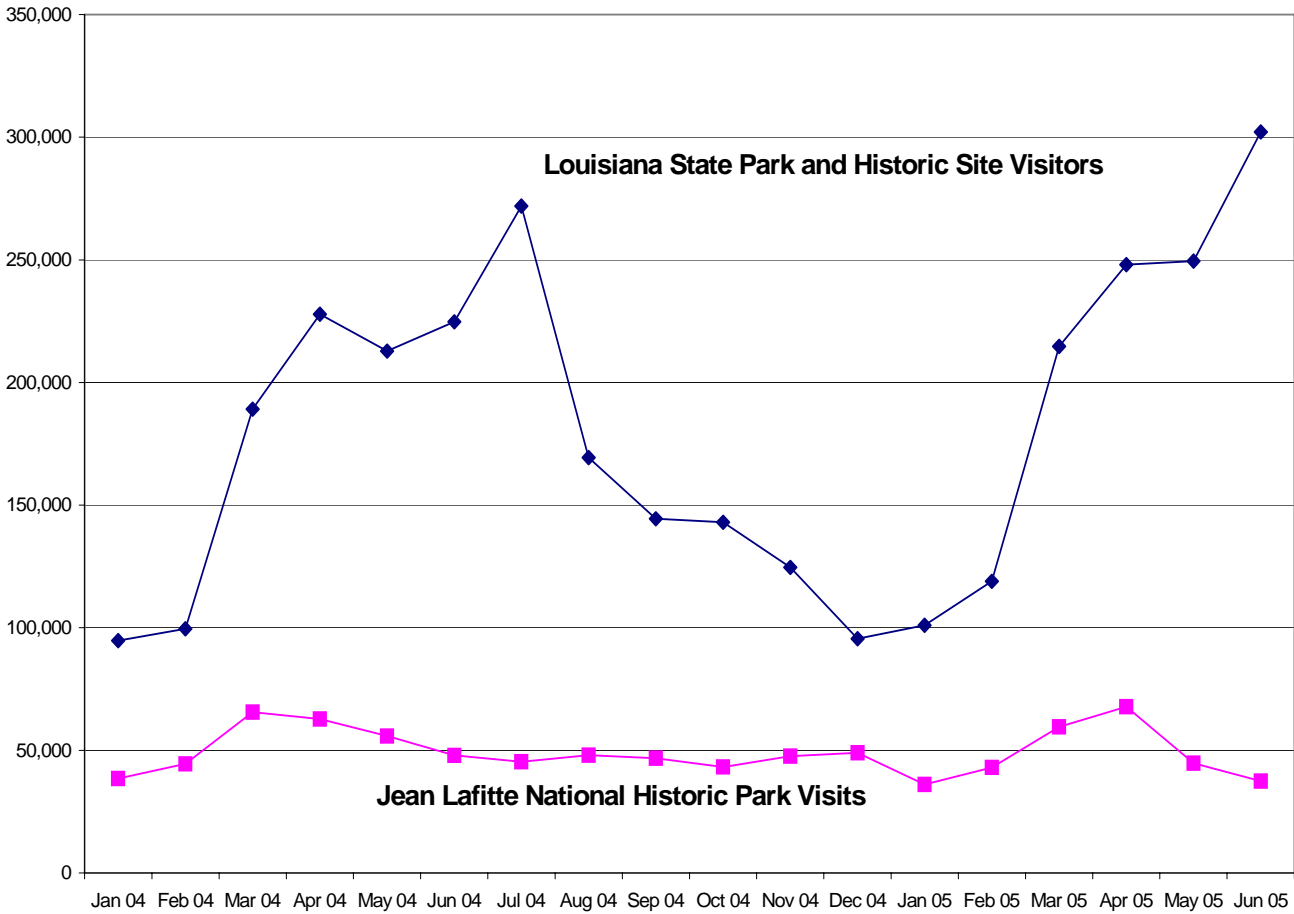
Source: Louisiana Office of Tourism, and the Air Transport Association (<http://www.airlines.org/>)

“Domestic airline enplanements will increase by 4 percent over the summer months. This is similar to the TIA estimate. Planes will be full, with load factors above last summer’s 81.5%. Aside from capacity increases by the low-cost carriers, other airlines have added little if any new capacity in their domestic markets. All the service increases are being made on international routes.”

Source: *Travel Industry Indicators*, May 31, 2005, James V. Commisa, Jr., Travel Industry Analyst

## 8. State and National Park Visitors

### Second Quarter 2005 Park Visitors Trend



#### Second Quarter 2005

Louisiana State Parks and Historic Site Visitors: 799,642  
 % difference from prior year: +20.2%

Jean Lafitte National Historical Park Recreational Visits: 150,072  
 % difference from prior year: -9.9%

#### 2005 Year-To-Date Performance (January-June)

Louisiana State Parks and Historic Site Visitors: 1,234,256  
 % difference from prior year: +17.7%

Jean Lafitte National Historical Park Recreational Visits: 288,847  
 % difference from prior year: -8.3%

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

South Toledo Bend State Park opened in November 2004. It has had 28,028 visitors since it opened. Two thirds of its visitors were overnight visitors. Seventy-seven percent of its visitors were Louisiana residents. Louisiana now has 35 state parks and historic sites.



## 9. Local Tourist Information Centers

Louisiana local tourist information center visitors: 223,620  
 Percentage difference from prior year: +5.7%

During the Second Quarter 2005, 17 information centers reported increased visitor volume and 10 information centers recorded a decrease in visitors compared to the same period in 2004.

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.

## 10. Attractions Visitors

The Louisiana Office of Tourism received visitor counts from 71 attractions across the state. Numbers were received from 6 plantation homes, 18 public campgrounds, 35 historical museums and historic sites, 5 gardens, zoos and wildlife areas, and 7 other attractions. The total number of visitors to these Louisiana attractions increased by 7.3% during the second quarter 2005 compared to the same period in 2004. For the fifth season in a row attendance at most of Louisiana's attractions were below previous year's levels. Following several seasons of decreased visitation, Louisiana's attractions finally experienced an upsurge in customers (See table below.)

	<b>Second Quarter 2005</b>	<b>Winter 2005</b>	<b>Fall 2004</b>	<b>Summer 2004</b>	<b>Spring 2004</b>
<b>Number of Sites w/increased attendance</b>	45	32	32	24	33
<b>Number of Sites w/decreased attendance</b>	26	40	39	48	49
<b>Percentage difference from previous year*</b>	+7.3%	-5.5%	-21.4%	-5.1%	-7.4%

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

### On any given day in Louisiana....

- ❑ Visitors spend \$25.8 million in Louisiana's hotels, restaurants, attractions, and airports.
- ❑ 120,000 tourism industry employees earn \$5.5 million in salaries and wages.
- ❑ Over \$1.6 million is accrued in state and local tax coffers in Louisiana from visitor spending.
- ❑ Over 4,400 visitors stop at a state welcome center.
- ❑ Over 62 percent of Louisiana's 79,000 hotel/motel rooms are occupied.
- ❑ Over 16 thousand passengers deplane at one of Louisiana's airports.

## 10. Regional Trends - Second Quarter

<b>Greater New Orleans</b>	<b>2005</b>	<b>2004</b>	<b>% +/-</b>
New Orleans International Airport			
Passenger Enplanements .....	1,409,043 .....	1,372,631 .....	+2.6%
New Orleans Hotel-Motel Occupancy Rate			
April .....	77.7% .....	70.1% .....	+10.8%
May .....	70.2% .....	72.3% .....	-2.9%
June .....	61.6% .....	71.3% .....	-13.6%
New Orleans Visitor Center .....	33,662 .....	37,855 .....	-11.1%
Slidell Visitor Center .....	97,611 .....	108,762 .....	-10.2%
Kentwood Visitor Center .....	46,544 .....	34,938 .....	+33.2%
Pearl River Center .....	43,668 .....	Closed for renovation	
Parks, Attractions, Museums .....	1,384,624 .....	1,323,142 .....	+4.6%
<b>Plantation Country</b>	<b>2005</b>	<b>2004</b>	<b>% +/-</b>
Baton Rouge Metro Airport			
Passenger Enplanements .....	111,845 .....	98,849 .....	+13.1%
Baton Rouge Hotel/Motel Occupancy Rate			
April .....	75.8% .....	62.7% .....	+20.9%
May .....	70.7% .....	64.2% .....	+10.1%
June .....	75.4% .....	66.4% .....	+13.6%
State Capitol Visitor Center .....	58,883 .....	62,750 .....	-6.1%
St. Francisville Visitor Center .....	8,665 .....	10,299 .....	-15.9%
Parks, Attractions, & Museums .....	340,385 .....	312,631 .....	+8.9%
<b>Cajun Country</b>	<b>2005</b>	<b>2004</b>	<b>% +/-</b>
Lafayette Regional Airport			
Passenger Enplanements .....	44,689 .....	44,311 .....	+0.8%
Lake Charles Regional Airport			
Passenger Enplanements .....	13,054 .....	11,379 .....	+14.7%
Lafayette Hotel-Motel Occupancy Rate			
April .....	72.1% .....	68.2% .....	+5.7%
May .....	62.9% .....	59.6% .....	+5.5%
June .....	61.8% .....	65.9% .....	-6.2%
Lake Charles Hotel-Motel Occupancy Rate			
April .....	68.9% .....	61.4% .....	+12.2%
May .....	66.8% .....	60.1% .....	+11.1%
June .....	70.3% .....	67.8% .....	+3.7%

Vinton Visitor Center .....	51,713 .....	55,496 .....	-6.8%
Atchafalaya Visitor Center .....	37,330 .....	Opened June 2004	
Parks, Attractions, & Museums .....	350,940 .....	312,675 .....	+12.2%

<b>Crossroads</b>	<b>2005</b>	<b>2004</b>	<b>%+/-</b>
England International Airport			
Passenger Enplanements .....	37,466 .....	29,013 .....	+29.1%
Alexandria Hotel-Motel Occupancy Rate			
April .....	66.1% .....	66.9% .....	-1.2%
May .....	60.4% .....	54.6% .....	+10.6%
June .....	67.0% .....	61.3% .....	+9.3%
Vidalia Visitor Center .....	5,017 .....	7,537 .....	-33.4%
Boyce (I-49) Visitor Center .....	16,344 .....	8,829 .....	+85.0%
Parks, Attractions, & Museums .....	129,071 .....	111,903 .....	+15.3%

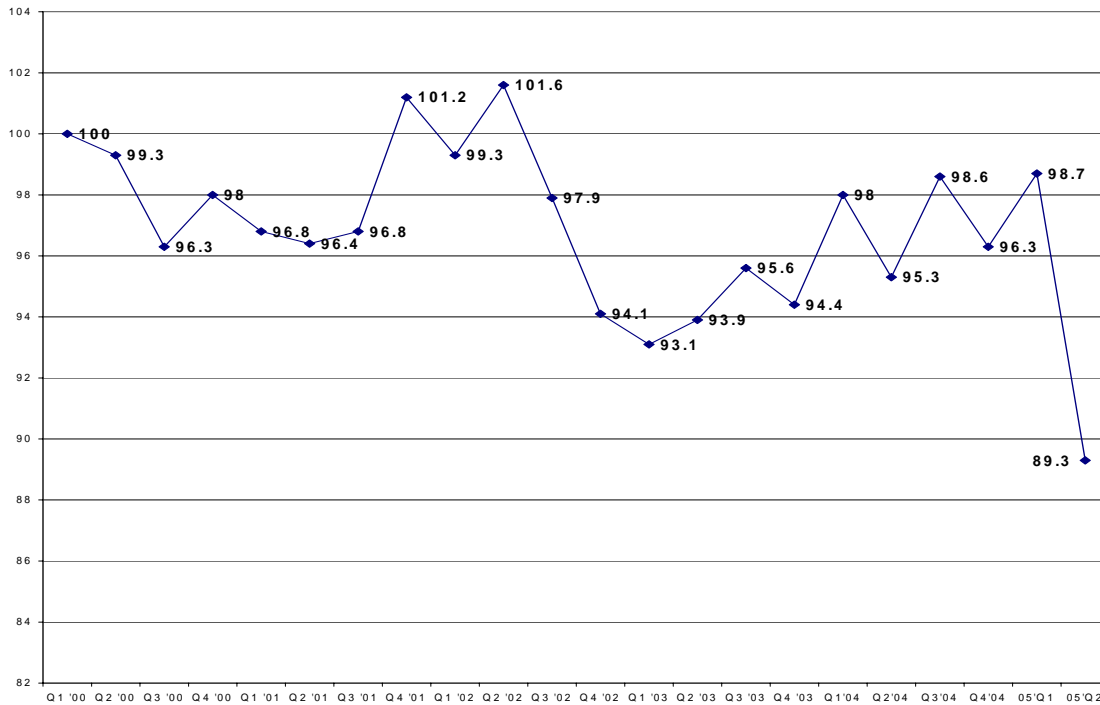
<b>Sportsman's Paradise</b>	<b>2005</b>	<b>2004</b>	<b>%+/-</b>
Shreveport Regional Airport			
Passenger Enplanements .....	91,046 .....	81,808 .....	+11.3%
Monroe Regional Airport			
Passenger Enplanements .....	29,036 .....	29,178 .....	-0.5%
Shreveport Hotel-Motel Occupancy Rate			
April .....	68.2% .....	67.0% .....	+1.8%
May .....	66.2% .....	67.2% .....	-1.5%
June .....	72.1% .....	71.4% .....	+1.0%
Monroe Hotel-Motel Occupancy Rate			
April .....	65.4% .....	61.0% .....	+7.2%
May .....	64.8% .....	62.7% .....	+3.3%
June .....	72.4% .....	70.5% .....	+2.7%
Greenwood Visitor Center .....	52,447 .....	56,196 .....	+6.6%
Mound Visitor Center .....	9,477 .....	61,338 .....	-84.0%
Parks, Attractions, and Museums .....	263,119 .....	240,105 .....	+9.6%

*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. Annual Travel Forecast\*

Measurement	2004p	%	2005f	%	2006f	%
		Difference		Difference		Difference
Real GDP (\$ Billion)	10,841.9	4.4	11,242.8	3.7	11,576.7	3.0
Unemployment Rate	5.5		5.1		5.1	
Consumer Price Index	188.9	2.7	193.9	2.7	197.9	2.0
Travel Price Index	210.2	4.5	216.5	3.0	220.4	1.8
Total Travel Spending (Billions \$)	600.1	7.9	633.5	5.6	662.0	4.5
Domestic Visitors	525.3	6.9	551.6	5.0	573.6	4.0
International Vis.	74.8	15.9	81.9	9.6	88.3	7.8
Domestic Person-Trips (Millions)	1,163.9	2.1	1,189.0	2.2	1,209.8	1.7
Business	145.1	5.0	149.5	3.0	151.4	1.3
Leisure	942.5	1.4	961.4	2.0	978.7	1.8

\*Note: p = projected, f = forecast

Source: TIA's Travel Forecast Model; TIA's TravelScope; BLS, Department of Labor; OTTI, BEA, Department of Commerce.