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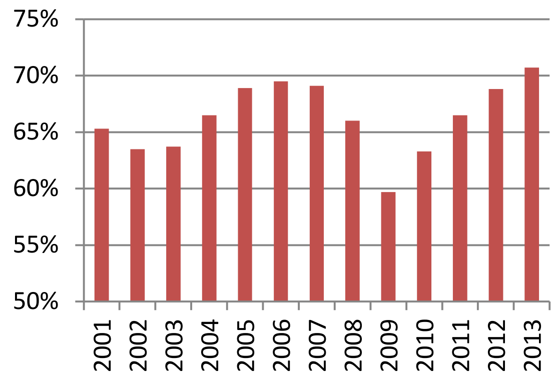
TOURISM INDUSTRY INDICATORS

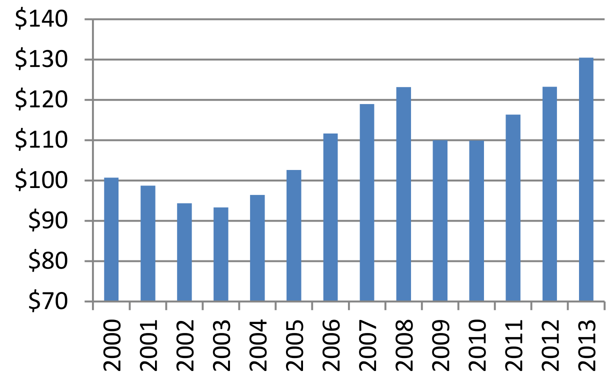
[Link to 'Latest Research' Web Page]()

Detailed Lodging Tables

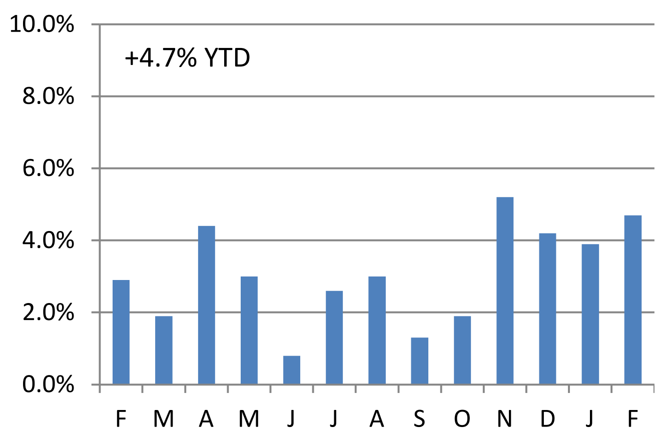
CA Occupancy: 2000-2013



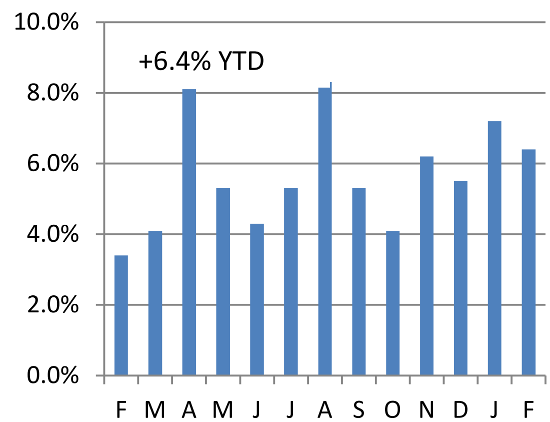
CA ADR: 2000-2013



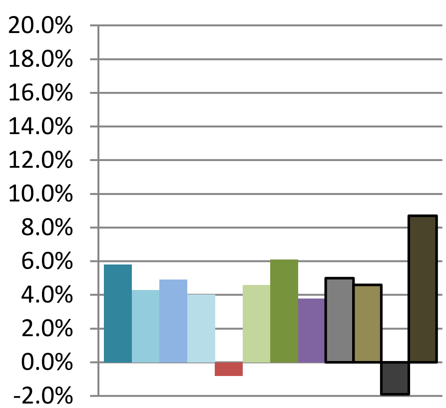
CA Occupancy Yr/Yr Chg: Last 12 Months



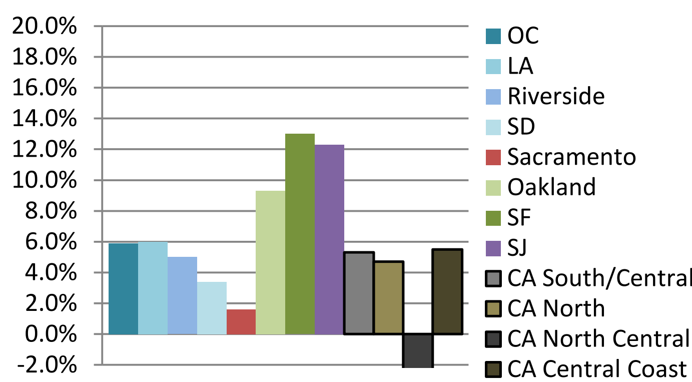
CA ADR Yr/Yr Chg: Last 12 Months



Regional CA Occupancy YTD Chg: February 2014



Regional CA ADR YTD Chg: February 2014



Source: Smith Travel Research

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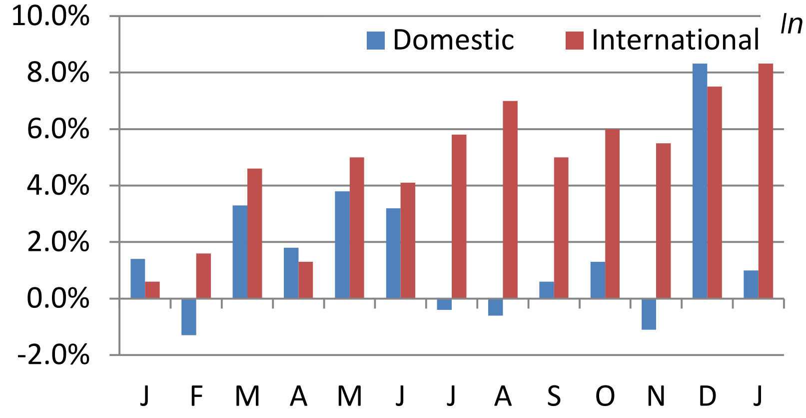
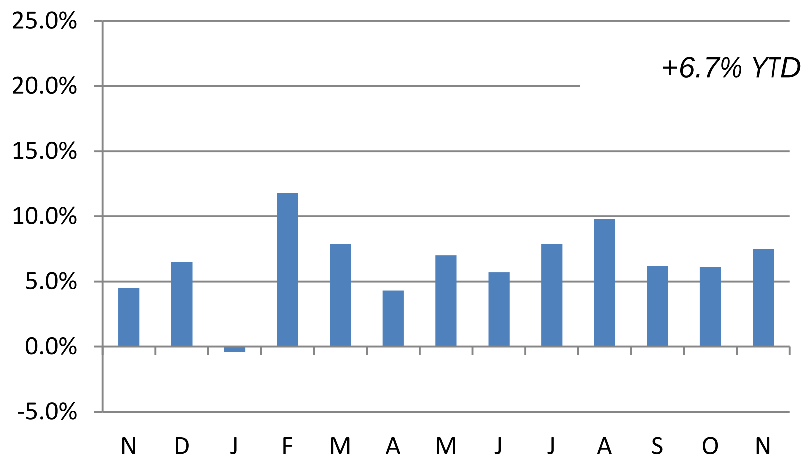
CA Airport Traffic Yr/Yr Chg: Last 12 Months

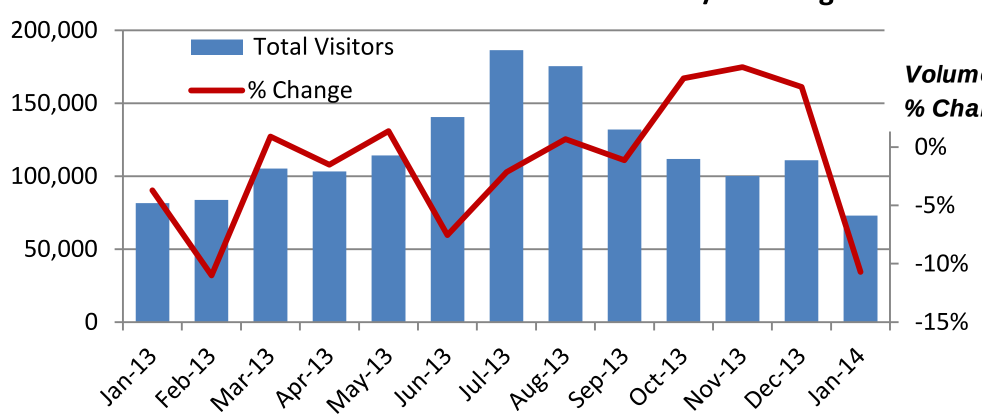


YTD
Domestic: 1.0%
International: +9.1%

Overseas Arrivals Yr/Yr Chg: Last 12 Months



California Welcome Centers: Volume and Yr/Yr Change



YTD
Volume: 1,517,966
% Change: -10.6%

Note: Total volume is for all open California Welcome Centers; adjusted change is yr/yr comparison of only CWC's open both this and last year.

Sources: Individual CA airports, US Dept. of Commerce, California Welcome Centers

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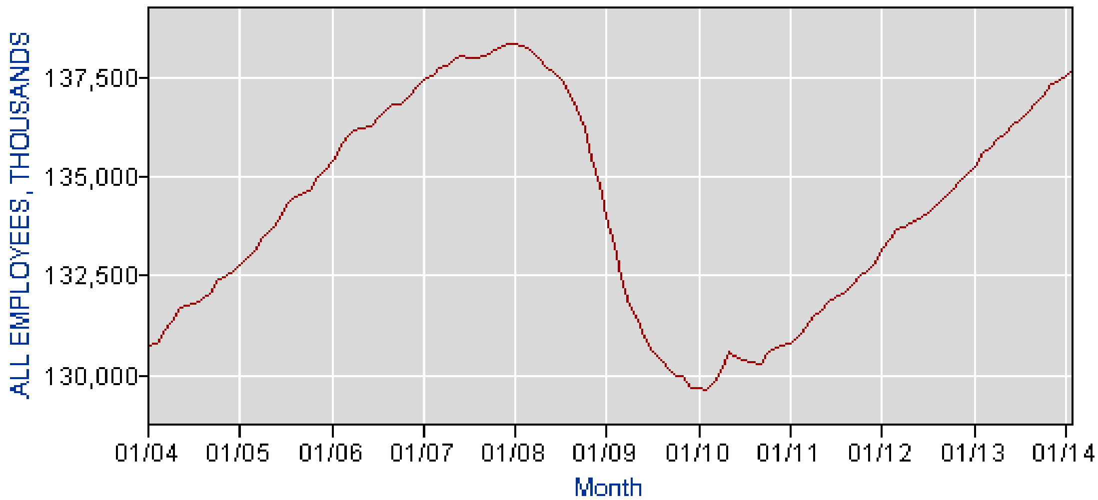
International Inbound Arrivals and Bookings			
Mexico	**1st Quarter 2014 Arrivals**	**2nd Quarter 2014 Bookings**	**3rd Quarter 2014 Bookings**
California	**-8.1%**	**66.0%**	**33.0%**
LAX	**-9.3%**	**55.0%**	**21.0%**
SFO	**-4.0%**	**67.0%**	**42.0%**
Other	**-8.8%**	**115%**	**83.0%**
Canada	**1st Quarter 2014 Arrivals**	**2nd Quarter 2014 Bookings**	**3rd Quarter 2014 Bookings**
California	**11.7%**	**15.0%**	**1.6%**
LAX	**13.3%**	**16.0%**	**-0.6%**
SFO	**13.6%**	**9.6%**	**4.6%**
Other	**9.0%**	**19.0%**	**1.3%**
U.K.	**1st Quarter 2014 Arrivals**	**2nd Quarter 2014 Bookings**	**3rd Quarter 2014 Bookings**
California	**-0.1%**	**11.0%**	**4.7%**
LAX	**-4.8%**	**10.0%**	**2.3%**
SFO	**3.8%**	**9.9%**	**12.0%**
Other	**-0.1%**	**16.0%**	**-24.0%**
Japan	**1st Quarter 2014 Arrivals**	**2nd Quarter 2014 Bookings**	**3rd Quarter 2014 Bookings**
California	**4.1%**	**1.9%**	**18.0%**
LAX	**0.2%**	**-0.3%**	**25.0%**
SFO	**-8.4%**	**-14.0%**	**3.1%**
Other	**110.5%**	**126.0%**	**41.0%**
Brazil	**1st Quarter 2014 Arrivals**	**2nd Quarter 2014 Bookings**	**3rd Quarter 2014 Bookings**
California	**13.1%**	**6.5%**	**-14.0%**
LAX	**11.0%**	**9.5%**	**-9.8%**
SFO	**10.7%**	**-2.5%**	**-17.0%**
Other	**27.7%**	**20.0%**	**-20.0%**

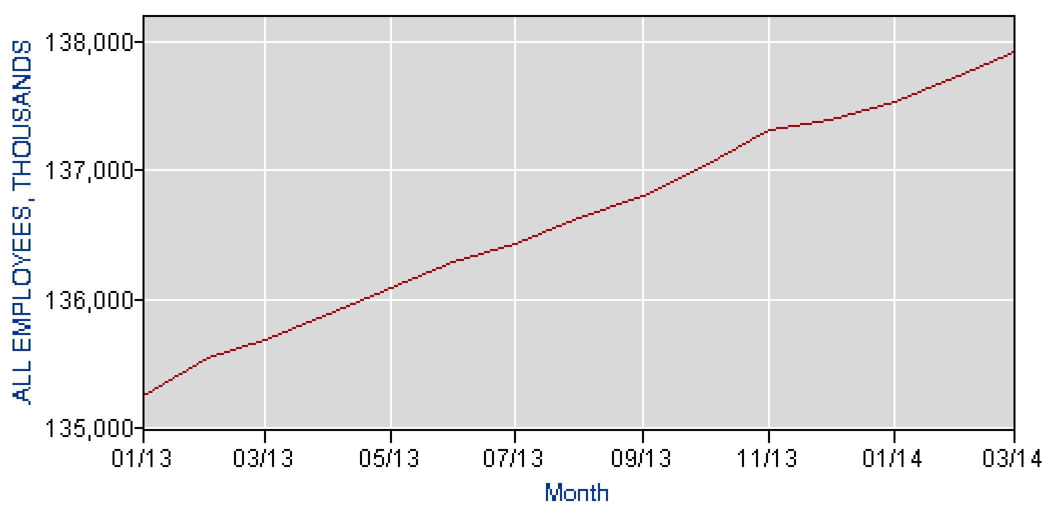
Note: Data are year to year comparisons of inbound passenger arrivals and bookings for future travel from several global distribution systems (GDS providers.
Source: Forwardkeys.com

ECONOMIC INDICATORS: *DOMESTIC*

US Work Force: 2004-present



US Work Force: 2013-present



Source: Bureau of Labor Statistics; Survey Research Center

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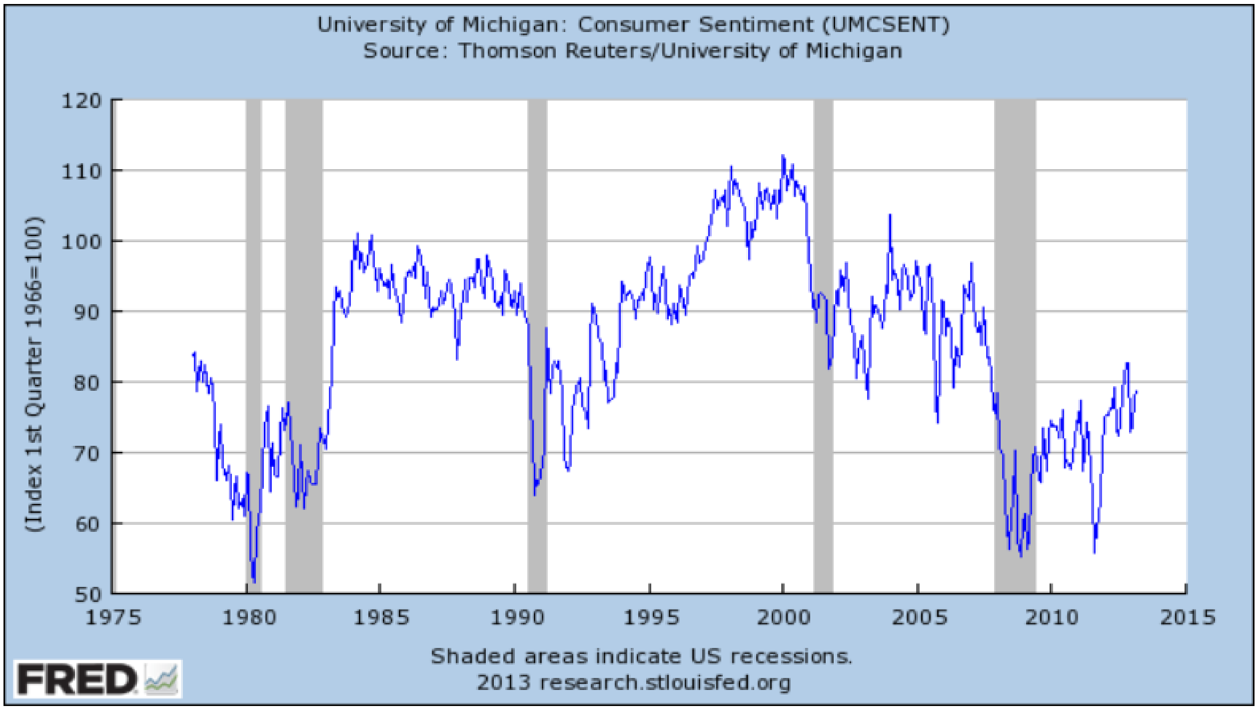
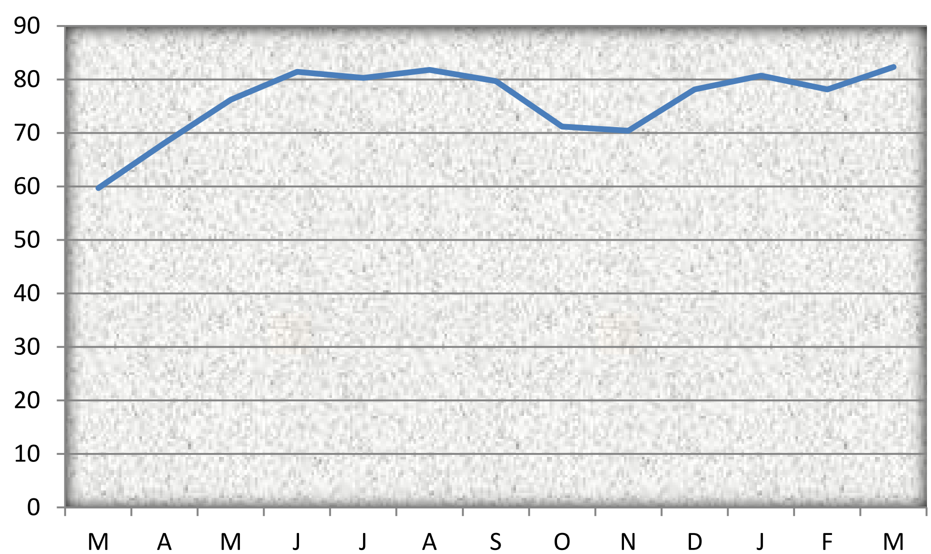
US Consumer Confidence: 1978-present



US Consumer Confidence Last 12 Months



Sources: The Conference Board, University of Michigan

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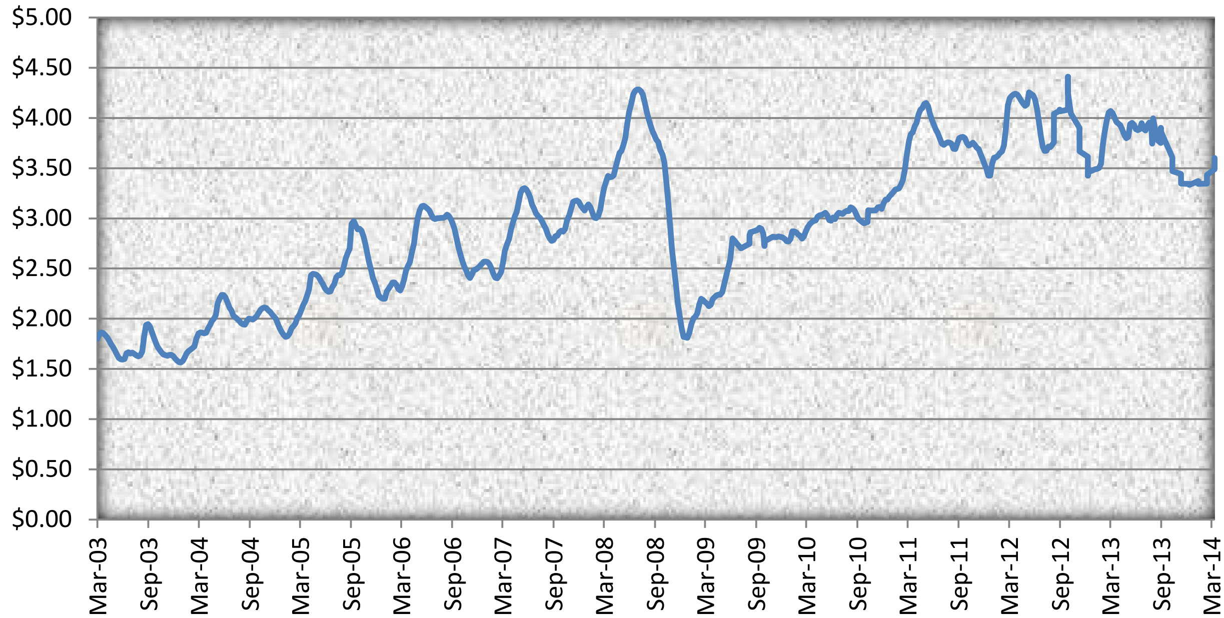
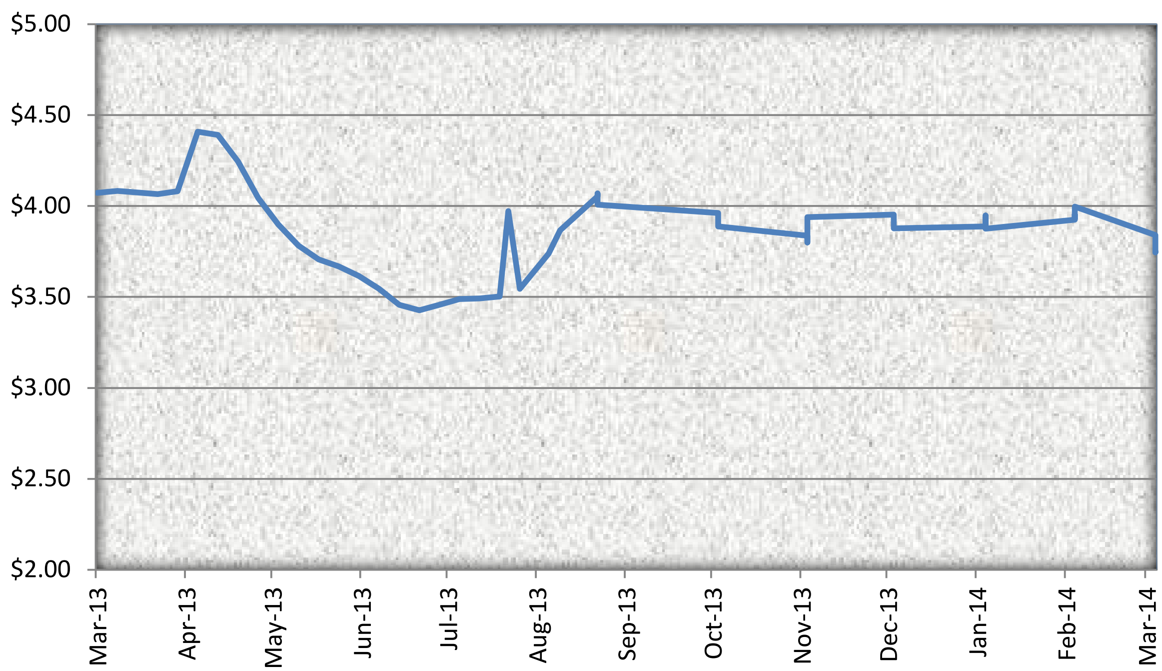
West Coast Gas Prices: 2003-Present



West Coast Gas Prices: Last 12 Months



Source: Energy Information Administration

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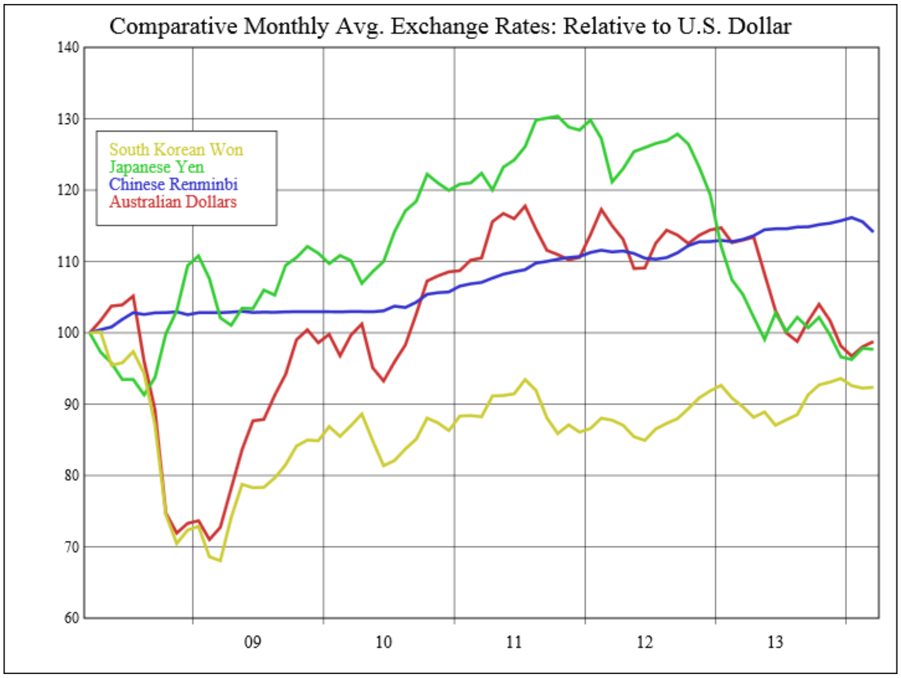
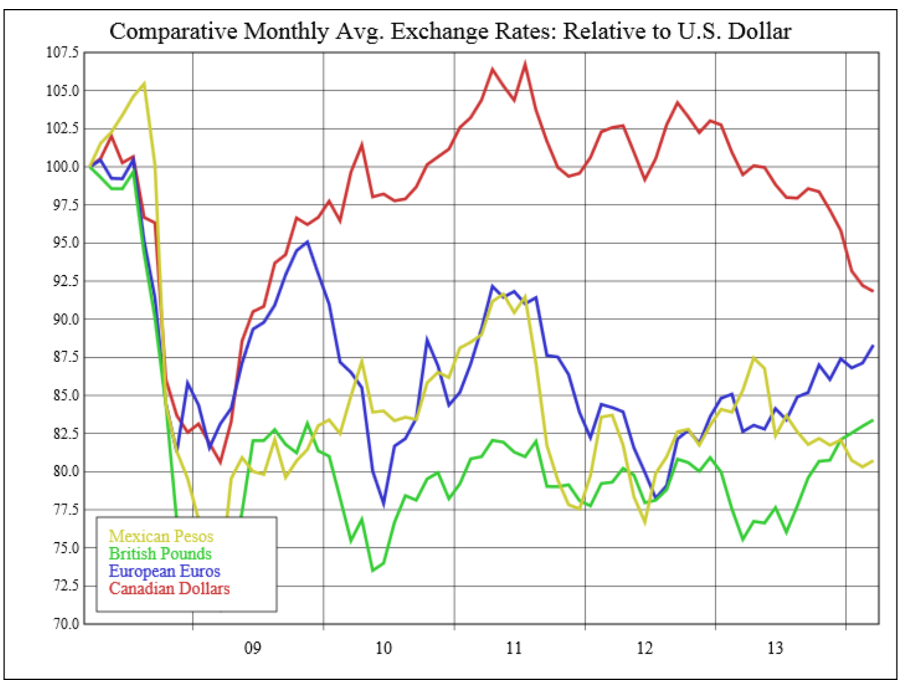
Exchange Rates

Relative Change Since 2008





Source: Pacific Exchange Rate Service – Prof. Werner Antweiler

FORECAST: *INTERNATIONAL*

Annual International Leisure Trips to California (Annual % change)	2010	2011	2012	2013	2014	2015	2016
Total	10.6%	9.0%	3.3%	4.2%	4.9%	5.6%	5.9%
China	49.1%	34.8%	36.8%	16.7%	18.6%	17.8%	16.0%
India	17.2%	8.7%	8.1%	8.7%	9.5%	10.0%	11.2%
Japan	19.3%	5.4%	7.0%	4.3%	5.1%	5.8%	6.0%
South Korea	40.8%	-0.5%	1.3%	3.8%	4.7%	6.1%	6.8%
Australia	33.2%	-2.2%	-0.8%	2.8%	3.9%	4.9%	5.5%
United Kingdom	3.0%	-3.0%	-1.9%	0.4%	1.7%	2.0%	2.6%
Germany	9.3%	3.1%	1.8%	4.1%	4.3%	4.5%	4.3%
France	38.8%	17.0%	-14.1%	0.3%	1.3%	2.0%	2.4%
Scandanavia	21.3%	4.5%	2.2%	0.9%	1.4%	1.8%	2.3%
South America	20.2%	19.9%	17.7%	8.1%	9.4%	11.1%	12.4%
Canada	10.0%	6.4%	3.6%	4.0%	4.1%	4.3%	4.2%
Mexico	5.3%	8.5%	3.5%	4.1%	4.7%	5.3%	5.5%
Rest of World	11.8%	-4.9%	2.5%	4.3%	4.6%	5.6%	6.3%

Source: Tourism Economics. Historical sources: CIC Research, OTTI

Note on volatility of historical data and treatment in forecast: Due to smaller sample sizes and relatively smaller visitor volumes in absolute terms, the historical data of origin markets tends to be more volatile than total visitor volumes.

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Travel/Tourism News & Trends

TREND: HERITAGE HERRACY - Trend watching

Rising numbers of consumers are embracing brands that play with, subvert and even explode their own heritage. In 2014, nothing is sacred… Learn about the five forces – including CLEAN SLATE DISRUPTION and the NEW NORMAL – pushing consumers to embrace ever greater brand heresies.

Driving this trend:

BRAND BAGGAGE – Brand heritage becomes brand baggage. The reality for many brands is that the needs and wants of the new consumer often don't align with the narrative that they've labored to build. For rising numbers of consumers, brand heritage and story has become at best irrelevant, and at worst an active barrier: one which prevents brands they *might* engage with from offering a product or service that's right for them, today.

NEW NORMAL – Post-demographic consumerism. Traditional demographic segments are becoming ever less useful. Fueled by growing choice and freedom, consumers are ever more diverse and unpredictable. Meanwhile, a global culture sees consumers from nine to 90, from Chicago to Bangkok, lust after the same smartphones, eat the same sushi, and wear the same sneakers. Consumers don't live in demographic silos anymore. Neither do smart brands.

CLEAN SLATE COMPETITION – Consumers are flocking to brands without a history or heritage. Unlike established – often tainted – brands, start-up CLEAN SLATE BRANDS often better embody the values of contemporary consumers: storied, responsive, accessible, sustainable, ethical. What's more, the sheer volume of innovation, in every sector, means a host of new (and more relevant and simply '*better*') solution than those from legacy competitors. As for barriers to trusting new brands? They've fallen away in a marketplace of total information and perceived accountability.

TUMBLURRED LINES - Consumers have been busy creating a never-ending stream of brand heresies of their own. Just a glimpse at Tumblr, Instagram, YouTube and Facebook will bear witness to how consumers both participate in (or are at the very least observers of) the remixing, hijacking, copying and redefining of brands, and their products and services.

NOT-SO-VIRGIN CONSUMERS Heritage has been a reliable global export for many established brands. Next: the continued power shifts in the global economy will overturn sacred brand cows. Eager-yet-aware, younger-yet experienced wealthy-yet irreverent emerged market consumers' tastes will mature and evolve. These consumers will turn away from the tired' brands their parents lusted after, and towards fresh and exciting brands that enter unchartered waters with their products, services and campaigns.

FULL ARTICLE

Consumer Trends/News

- **TREND: UPGRADIA**
  The digital culture of constant upgrades and iteration comes to the world of physical objects Trendwatching
- **MILLENNIALS– BREAKING THE MYTHS**
  Nielsen
- **DIGITAL LIFE IN 2025** – PEW Research
- **ATTITUDES ABOUT AGING- A global perspective – PEW**

Travel Trends/News

- **THE FAST BOOKERS VS. INTENSIVE RESEARCHERS IN ONLINE TRAVEL BOOKING** - Gfk
- Millward Brown Digital and Expedia Media Solutions explored the consumer traveler's **PATH TO PURCHASE** from research through booking (infographic)
- **TRAVELERS-ROAD TO DECISION-AFFLUENT INSIGHTS RESEARCH** - Google
- **THE STATE OF DIGITAL TRAVE**L -Travel **360** Industry report detailing the theme of integration stirring within the travel industry, and the imminent impact of big data initiatives and implementation
- **TOP 10 GLOBAL SPA AND WELLNESS TRENDS FORECAST** – Spafinder Wellness

Group/Business Trends/News

- **TOP 10 MEETING TRENDS 2014 –**
  Benchmark Resorts