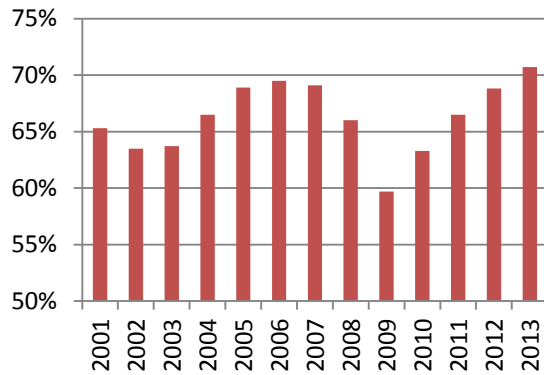


TOURISM INDUSTRY INDICATORS

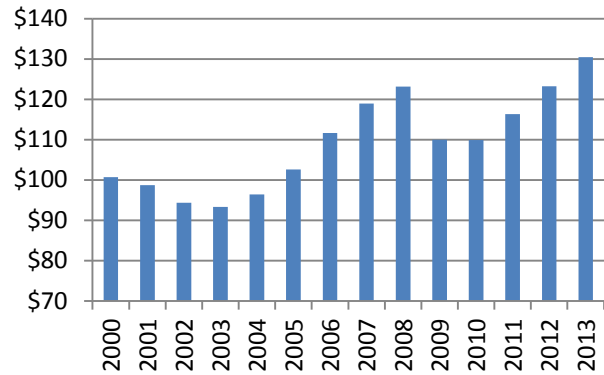
[Link to 'Latest Research' Web Page](#)

Detailed Lodging Tables

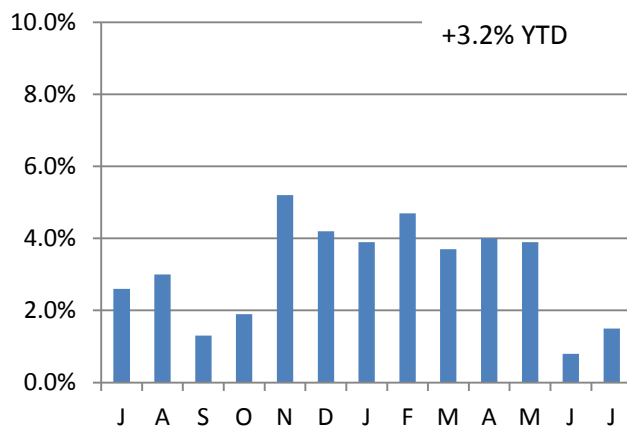
CA Occupancy: 2000-2013



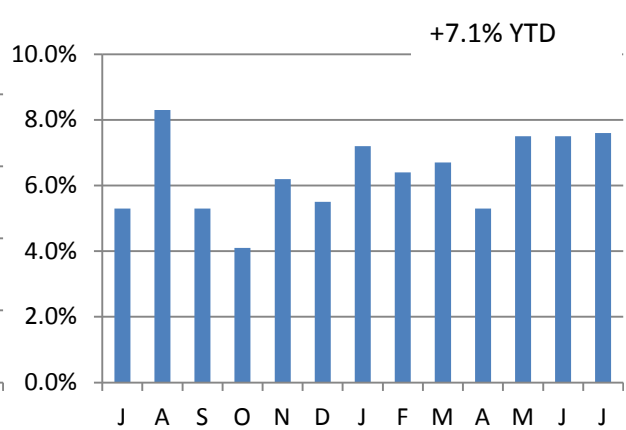
CA ADR: 2000-2013



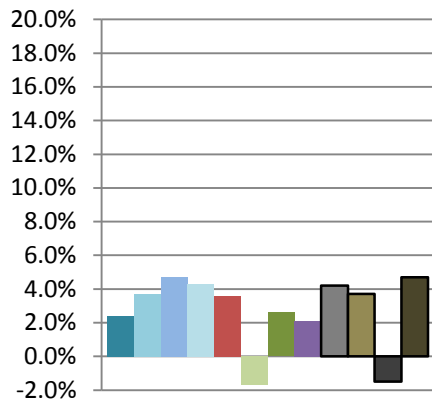
CA Occupancy Yr/Yr Chg: Last 12 Months



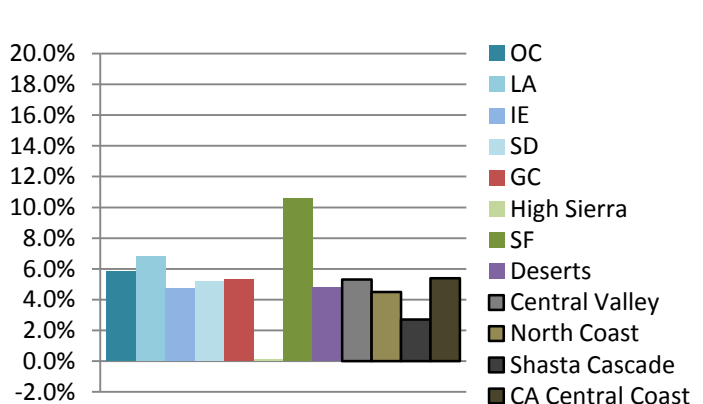
CA ADR Yr/Yr Chg: Last 12 Months



Regional CA Occupancy YTD Chg: July 2014

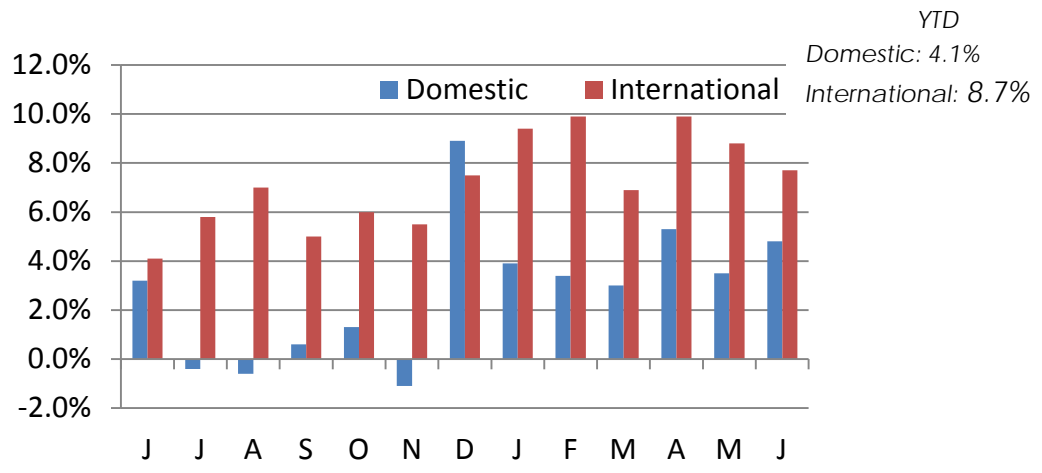


Regional CA ADR YTD Chg: July 2014

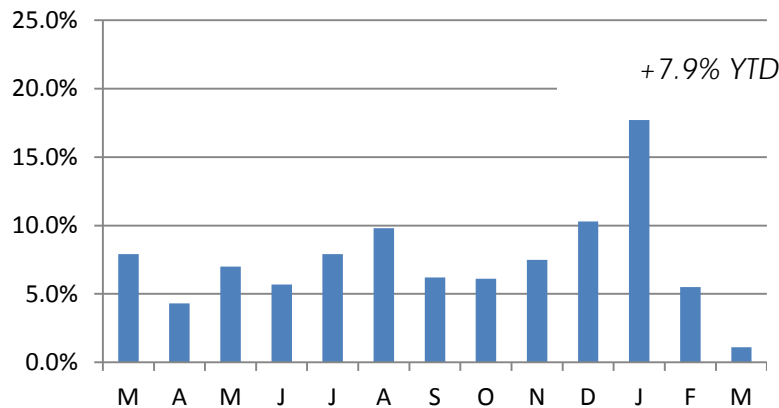


Source: Smith Travel Research

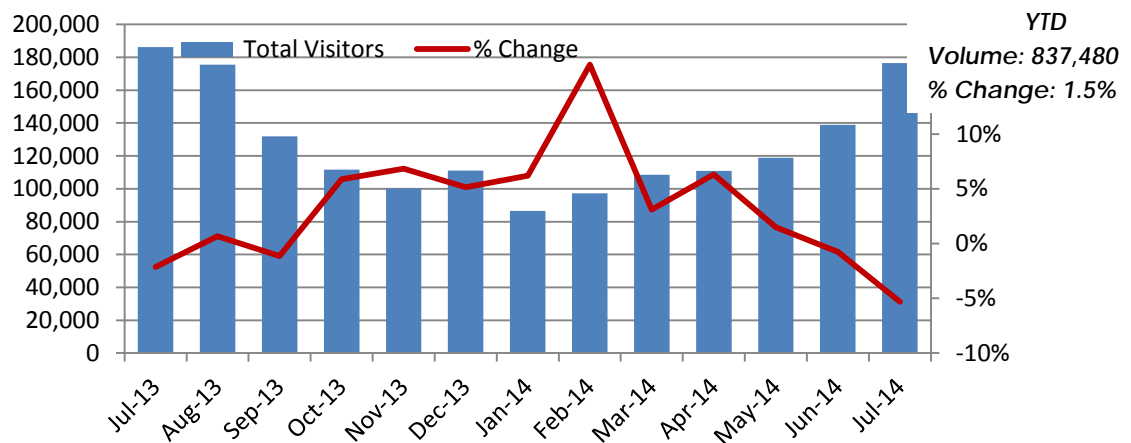
CA Airport Traffic Yr/Yr Chg: Last 12 Months



Overseas Arrivals Yr/Yr Chg: Last 12 Months



California Welcome Centers: Volume and Yr/Yr Change



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

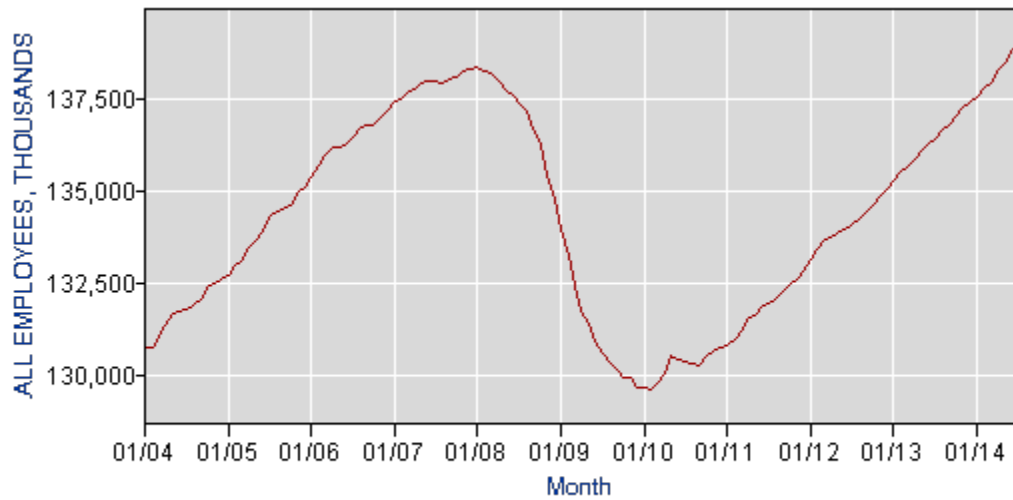
International Inbound Arrivals and Bookings				
Mexico	1 st Quarter* 2014 Arrivals	2 nd Quarter* 2014 Arrivals	3 rd Quarter 2014 Bookings	4 th Quarter 2014 Bookings
California	-7.6%	17.0%	0.5%	2.5%
LAX	-8.7%	11.0%	-8.1%	-7.5%
SFO	-3.3%	10.0%	-4.0%	-7.9%
Other	-8.2%	51%	46.0%	122.0%
Canada	1 st Quarter 2014 Arrivals	2 nd Quarter 2014 Arrivals	3 rd Quarter 2014 Bookings	4 th Quarter 2014 Bookings
California	12.0%	9.3%	6.2%	-4.0%
LAX	14.0%	12.0%	8.1%	-1.0%
SFO	15.0%	6.7%	9.4%	-7.2%
Other	9.2%	8.5%	-0.3%	-5.1%
China	1st Quarter 2014 Arrivals	2nd Quarter 2014 Arrivals	3rd Quarter 2014 Bookings	4 th Quarter 2014 Bookings
California	39.0%	41.0%	24.0%	18.0%
LAX	33.0%	49.0%	28.0%	41.0%
SFO	49.0%	30.0%	17%	-22%
Other	84%	70.0%	26.0%	127.0%
U.K.	1 st Quarter 2014 Arrivals	2 nd Quarter 2014 Arrivals	3 rd Quarter 2014 Bookings	4 th Quarter 2014 Bookings
California	0.9%	6.9%	2.0%	3.4%
LAX	-4.1%	6.8%	-0.2%	7.5%
SFO	5.3%	4.5%	7.2%	-0.5%
Other	9.5%	18.0%	-13.0%	-3.6%
Japan	1 st Quarter 2014 Arrivals	2 nd Quarter 2014 Arrivals	3 rd Quarter 2014 Bookings	4 th Quarter 2014 Bookings
California	5.0%	-0.9%	5.2%	32%
LAX	1.2%	-2.1%	12.0%	67.0%
SFO	-7.4%	-15.0%	-11%	-27.0%
Other	111.0%	88.0%	28.0%	79.0%
Brazil	1 st Quarter 2014 Arrivals	2 nd Quarter 2014 Arrivals	3 rd Quarter 2014 Bookings	4 th Quarter 2014 Bookings
California	12.0%	0.3%	-8.3%	-3.8%
LAX	9.2%	2.6%	-2.7%	-1.7%
SFO	9.8%	-5.9%	-14.0%	-9.0%
Other	27.0%	8.0%	-17.0%	4.2%

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

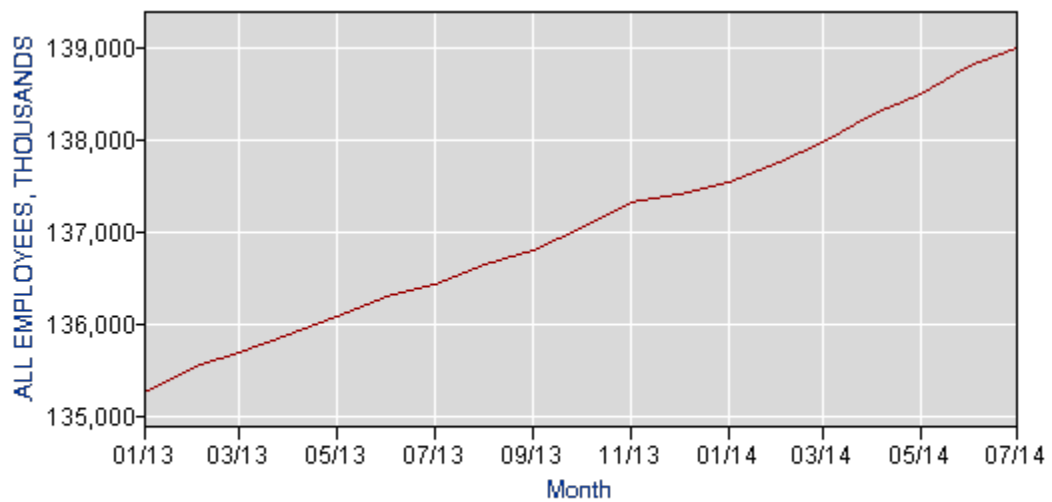
* Easter week fell in the 1st quarter in 2013 (March 31) and 2nd quarter in 2014 (April 20)

ECONOMIC INDICATORS: *DOMESTIC*

US Work Force: 2004-present

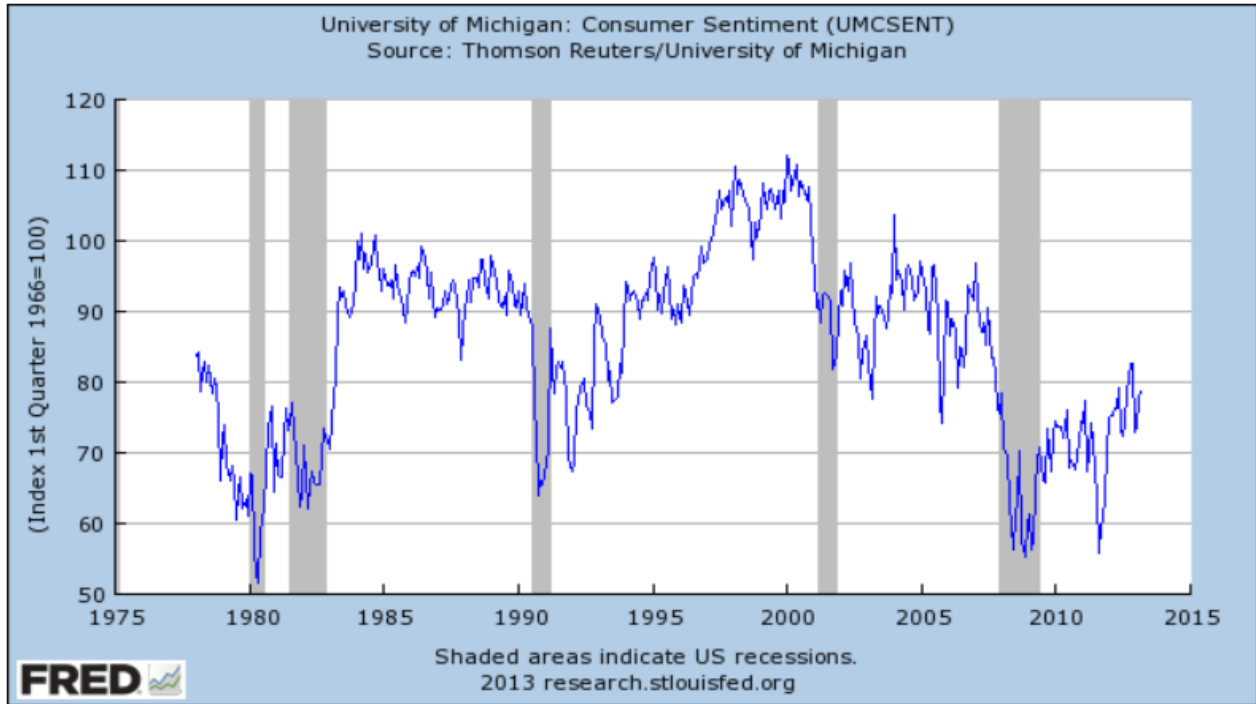


US Work Force: 2013-present

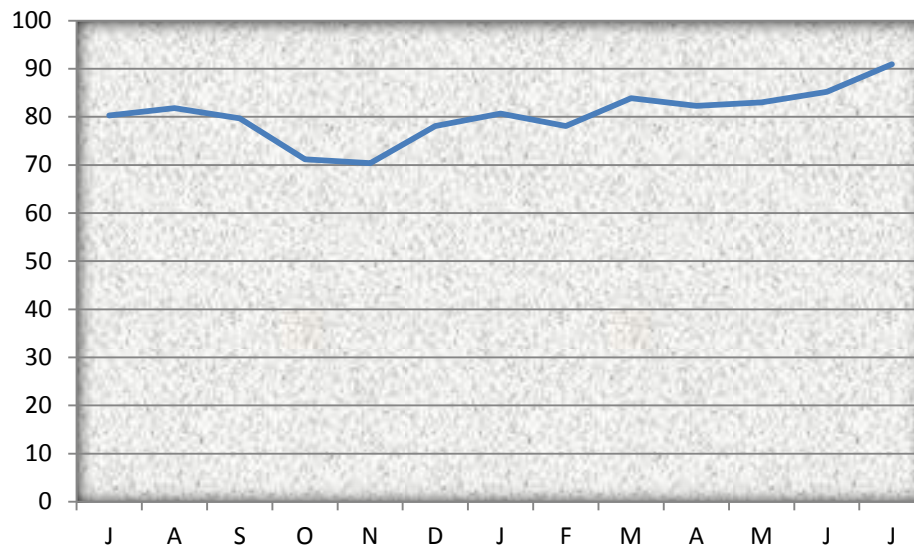


Source: Bureau of Labor Statistics; Survey Research Center

US Consumer Confidence: 1978-present

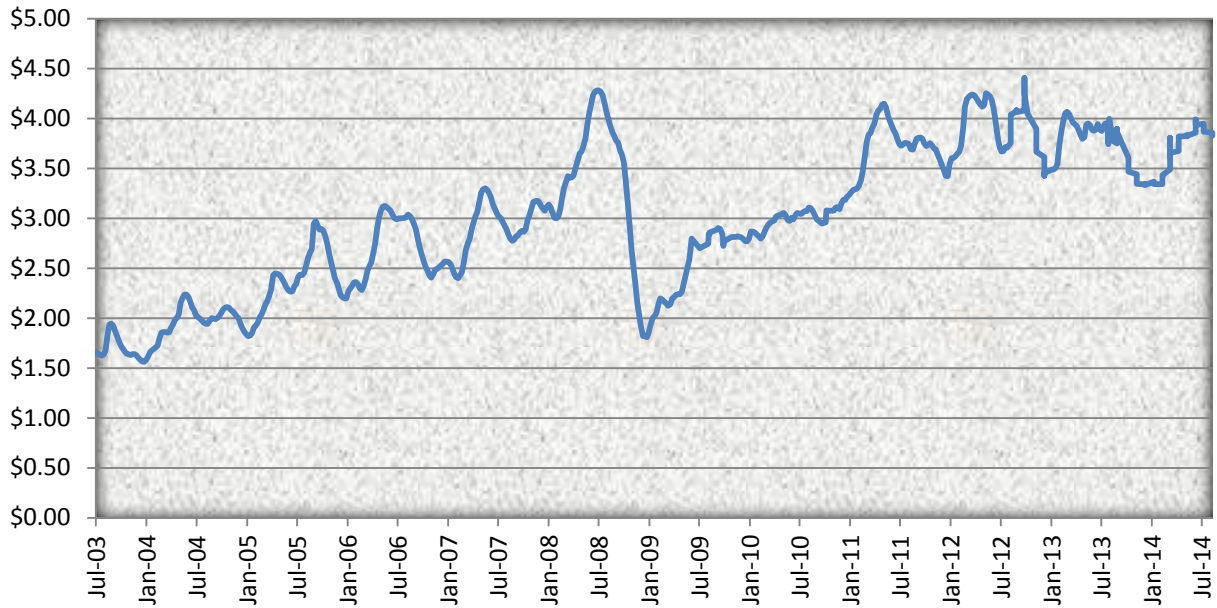


US Consumer Confidence Last 12 Months

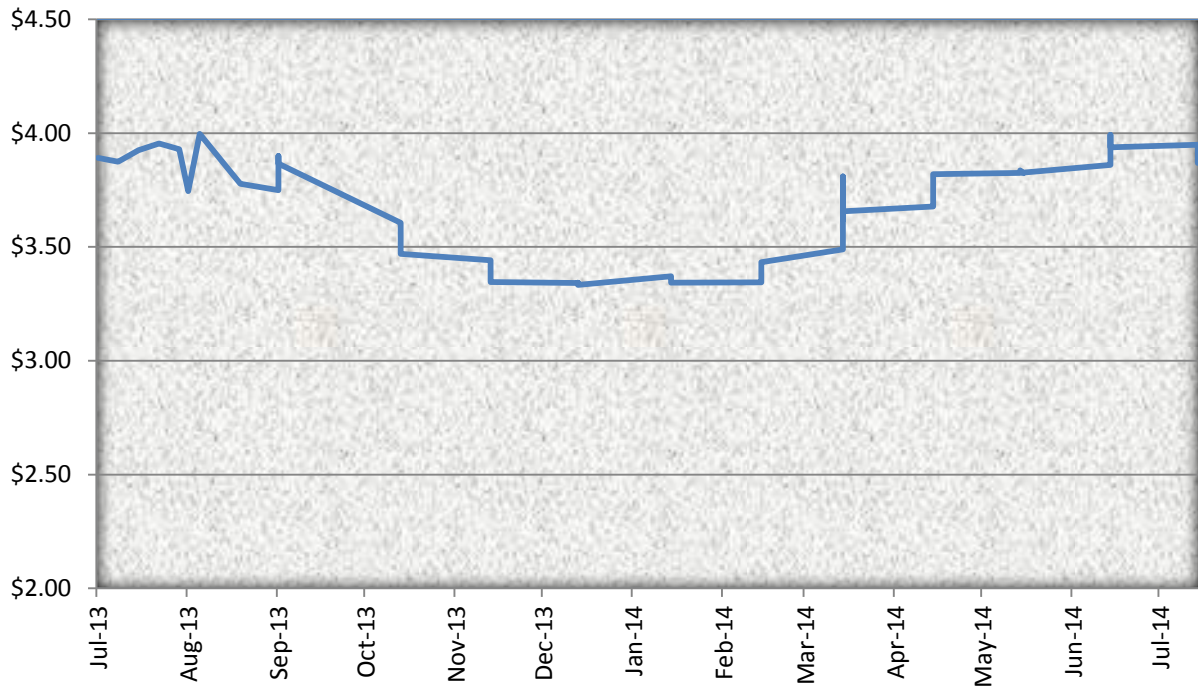


Sources: The Conference Board, University of Michigan

West Coast Gas Prices: 2003-Present

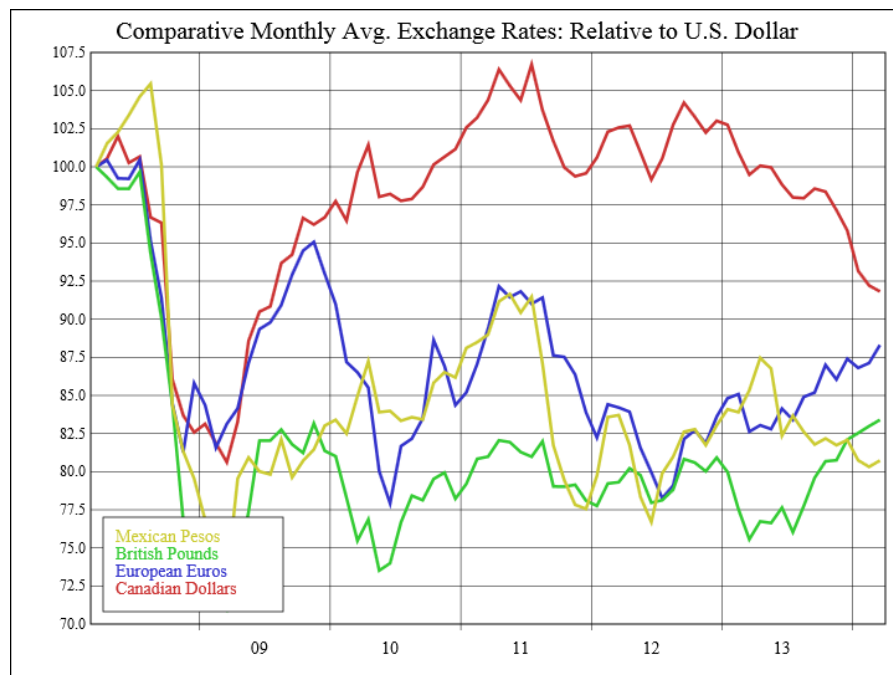
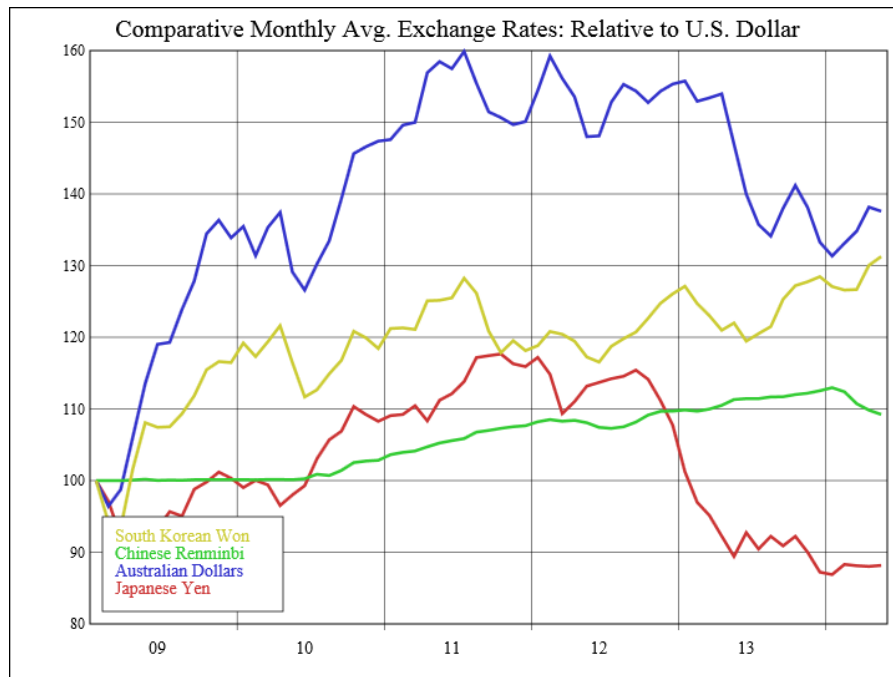


West Coast Gas Prices: Last 12 Months



Source: Energy Information Administration

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	2017
Total	10.6%	9.0%	2.8%	4.4%	4.4%	4.7%	5.0%	5.2%
China	49.1%	34.8%	24.1%	22.1%	20.6%	17.5%	16.3%	15.9%
India	17.2%	8.7%	8.1%	22.9%	14.0%	6.1%	8.0%	8.2%
Japan	19.3%	5.4%	-2.9%	-4.0%	0.1%	2.3%	3.4%	3.6%
South Korea	40.8%	-0.5%	0.0%	0.5%	1.0%	2.7%	7.3%	7.8%
Australia	33.2%	-2.2%	6.4%	5.9%	4.7%	4.0%	5.1%	4.6%
United Kingdom	3.0%	-3.0%	-3.9%	2.6%	3.4%	2.2%	3.1%	3.1%
Germany	9.3%	3.1%	-0.4%	5.7%	2.8%	1.0%	3.1%	4.3%
France	38.8%	17.0%	-16.7%	4.0%	3.0%	0.7%	0.8%	0.5%
Scandinavia	21.3%	4.5%	15.3%	13.0%	6.8%	1.2%	1.4%	1.9%
South America	20.2%	19.9%	-0.3%	15.1%	10.7%	9.8%	9.1%	8.3%
Canada	10.0%	6.4%	6.9%	1.6%	4.2%	4.8%	4.7%	4.7%
Mexico	5.3%	8.5%	4.7%	3.4%	4.6%	4.8%	4.7%	4.8%
Rest of World	11.8%	-4.9%	-2.6%	6.2%	-0.1%	4.1%	4.2%	4.9%

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.

Note: Forecast is from August, 2014.

Travel/Tourism News & Trends

Millennials Come of Age

Experian Marketing Services

Never before has the United States seen a generation that is so diverse, so informed and so well connected as Millennials. The generation is so unique that even the name evokes the image of an exotic plant that blooms only once every one thousand years. Millennials are the generation immediately following Generation X with the first members born in 1980 and celebrating their 34th birthday this year.

As the leading edge of Millennials move into their mid-30s, we'll examine the demographic profiles of Millennial adults, their lifestyles, attitudes and motivations as well as their need for connectivity and explain what it means for marketers trying to court the most influential generation since the Baby Boomers.

Millennials are largely optimistic about the future despite the fact that many came of age during the Great Recession, suffering disproportionately higher levels of unemployment just as they were supposed to be building the foundations of their careers. They're less religious than any other generation and while they hold largely progressive values, there are some important contradictions that are worth noting. Millennials own smartphones at rates exceeding every other generation and account for one out of every two minutes Americans spend using these devices.

While the rest of adults see smartphones and the Internet as revolutionary, for Millennials, they're just part of the natural order of things. As such, they have expectations about how things should work that may seem unrealistic to those who grew up without such technologies.

Thomas Prendergast, the chairman and CEO of the Metropolitan Transit Authority in New York, an institution responsible for public transportation networks dating back centuries, nailed it on the head during a recent news conference when he said, "The Millennials' expectations are really things that we thought were luxuries when we first rode the system, but they think are entitlements—and they are our customers." Prendergast added, "Countdown clocks in stations, more timely information, improved technology is not a want, it's a need."

All marketers need to adopt this mindset — being cognizant of the way that Millennials view the world — and adapt accordingly. They need to harness the power of customer data and leverage technology to connect with this incredibly diverse generation in a way that feels personal and authentic. Companies that don't operate or communicate in a way that Millennials expect risk being passed over as irrelevant. Those that embrace the demands of this generation have the opportunity to build loyal brand advocates for years to come.

[Full Report](#)

CONSUMER TRENDS/NEWS

[The Air Travel Booking Habits of American Adults](#) Travelers like to think they have a trick or strategy for finding the best airfare, but in reality we are all searching for and reserving tickets in similar fashion.
– Skift.com

[Affluent Travelers More Receptive to Online Reviews than Traditional Media](#)
When luxury consumers are deciding where to stay as they travel, reviews posted online have more influence than similar appraisals delivered in magazines, newspapers or television. – luxurydaily.com

TRAVEL TRENDS/NEWS

[Travel Content Takes Off on YouTube](#)
Two out of three U.S. consumers watch online travel videos when they're thinking about taking a trip. This study identifies the content types that travelers want to connect with. – thinkwithgoogle.com

[Megatrends Defining Travel](#)
Top 10 travel trends for 2014 and how they are changing the traveler experience. – Skift.com

[The Newest Health and Wellness Hotels](#)
The health and wellness travel segment is growing immensely, creating a market for hotels that cater to the health-conscious guest. – Hospitalitynet.org

INTERNATIONAL

[Asians Desperate to Stay Connected on Trips](#) Study reveals Asian travelers are refusing to disconnect when on-the-road for a leisure trip. - tnooz.com