



Phoenix Marketing Study Indicates Tough Times Ahead for the Travel Industry

Loyalty Programs, If Aggressively Marketed, Can Help Lessen Impact of Economic Downturn on Hotel Operators

Somerset, NJ – January 12, 2009 –The faltering global economy will curtail people’s travel plans in 2009, but creative promotion of loyalty programs by airlines and hotels can recoup some of the lost revenue and soften the economic impact, according to a new study by Phoenix Marketing International’s Travel and Leisure Practice.

Phoenix recently completed a worldwide survey of 6,000 travelers in eight countries who made an overnight trip in 2008. One third of those surveyed will likely reduce travel in 2009 for economic reasons.

Scott Ludwigsen, Phoenix’s Executive Vice President of Airline Research, pointed out that a significantly greater proportion of past-year travelers in the United States, United Kingdom, and China are planning on fewer trips in 2009 than travelers in Canada, France, Germany, Australia, and Japan.

Ludwigsen states, “Reduced travel schedules pose more of a problem for hotels than they do for airlines. The airlines can cut costs by reducing the number of flights. Hotels cannot reduce expense by eliminating rooms or closing properties.”

But hotels can battle back if they take advantage of their frequent guest programs (FGPs), one of the most effective marketing tools that hotels possess, according to Greg Diaz, Phoenix’s Vice President of Lodging and Loyalty Research.

“Our recent study shows that approximately 29% of hotel loyalty program users plan to focus their usage in a single FGP. Hotels that develop marketing communications and program incentives to attract these travelers should do relatively well in 2009.”

Diaz went on, “We will be fielding the next wave of our annual Hotel SCORES™ FGP Tracking Syndication Study next month. This survey we just completed, which shows that 35% of all hotel frequent guest program members in the USA would like to redeem points this year, tracks with what we’ve observed in previous years’ SCORES.

“My take on this is that hotels should not necessarily expect a deluge of requests for redeemed points in 2009.”

For representative data from the most recent Phoenix travel survey, please click here: [2009 Travel Considerations.](#)

About Phoenix Travel and Leisure

Phoenix’s Travel and Leisure Practice partners with clients in global and domestic markets across

the hotel, airline, destination and entertainment industries. Together, we work to understand the social, economic and competitive factors impacting business today.

About Phoenix Marketing International (www.phoenixmi.com)

Founded in 1999, Phoenix Marketing International is one of the fastest growing marketing services firms in the United States. With offices across the country and partnerships with many of the largest companies in the Affluent, Automotive, Converged Technology, Financial Services, Healthcare, Media, Multicultural, and Travel and Leisure industries worldwide. Phoenix offers advanced advertising and brand measurement along with direct marketing expertise.

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