Preparing for the Travel Halo Effect

While travel recovery will be long-term, pent-up consumer demand points toward a travel boost this summer. Travel recovery doesn’t just mean growth for the tourism industry. According to the WTTC & Oxford Economics, the travel industry has a 3x multiplier on indirect industries.

As the industry begins to rebound, evolved behaviors and mindsets are creating new travel scenarios. This presents an opportunity for both travel and travel adjacent brands to understand new consumer demands and consider how best to connect with these audiences in a post-pandemic setting.
While Travel Recovery Will Be Long-term, the Industry Is Beginning to Gain Momentum

Q1 2021
- 25%+ of U.S. population receives first vaccine dose
- Cruise booking window hits new record: 365 days in advance

Q2 2021
- # of U.S air travelers hits new peak (1.4M) since March 2020
- 50%+ of U.S. population receives first vaccine dose
- California Theme Parks to open at 15% capacity
- Parents explore spring break options

Q3 2021
- TSA reports highest travel numbers (1.9M) since pandemic over MDW
- Some cruise lines begin summer voyages
- CDC relaxes mask guidelines
- EU to allow vaccinated Americans to travel to Europe

Q4 2021
- Back to School Season
- # of U.S air travelers hits new peak (1.4M) since March 2020
- Parents explore spring break options
- Families hope to reunite for the Holiday Season
- Some cruise lines begin summer voyages
- Possible boost in business travel as many return to ‘the office’
Travel Recovery Doesn’t Just Fuel Tourism

The travel category is the backbone of the service industry and the economy at large.

If travel were a country, it would be the 3rd largest economy in the world.

Prior to the pandemic, travel & tourism accounted for 1 in 4 of all new jobs created across the world.

For every dollar spent on travel, $3 additional dollars are spent on indirect categories, the second highest impact of any category.

Source: GDP from the World Bank; Travel contribution from World Travel & Tourism Council; Oxford Economics: Travel’s Impact on the Economy
As the Industry Rebounds, Evolving Consumer Behaviors and Mindsets Have Created New Travel Scenarios

01. The ‘Flexication’
Audiences are balancing work with travel, working from new places as a hybrid model becomes more common.

02. The ‘Treat Yourself’ Trip
With many consumers viewing travel as a reward, indulgence in luxury experiences is likely to grow.

03. Traveling with Intention
Travel choices are being viewed as a reflection of identity, leading to more values-driven decisions.

04. International Arrivals
International travelers are still wary of booking trips, but a wave of travel is anticipated in 2022.
01. The ‘Flexication’
While desire to travel dipped as the nation entered a lockdown, *Demand Quickly Returned as Travelers Looked for Flexibility*

In addition to increased demand, sites like Vrbo and Airbnb saw a 25% increase in searches related to long-term stays.
**THE ‘FLEXICATION’**

Prioritizing Work/Life Balance, Employees Are Taking Full Advantage of Working Remotely

<table>
<thead>
<tr>
<th>Demand spiked early in the pandemic</th>
<th>Supply has continued to grow to meet demand</th>
<th>Remote work likely remains in the future</th>
<th>Continued demand for ‘flexications’</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2x</strong></td>
<td><strong>80%</strong></td>
<td><strong>20%</strong></td>
<td><strong>48%</strong></td>
</tr>
<tr>
<td>Hosting sites like Airbnb and Vrbo saw 2x growth on long-term stays at the onset of the pandemic, as well as long weekends</td>
<td>of Airbnb hosts now offer long-term stay options (1 month or more)</td>
<td>of American workers are projected to continue working remotely by the end of 2021, up from 7% pre-Pandemic</td>
<td>of Americans said the ability to work remotely and flexible school schedules is why they want ‘flexications’, taking long weekends to escape to somewhere new</td>
</tr>
</tbody>
</table>

Sources: Airbnb.com, Business Insider, Tech Crunch, BBC, Vrbo.com, CNBC
The ‘Flexication’

More Fluid Travel Scenarios Will Likely Have a Halo Impact Across Multiple Industries

Retail/Restaurant
Flexication travelers spend 2.3x more on restaurants/retail vs. typical tourists

Entertainment
In a Chicago-based study, flexicationers spent 48% more on arts and culture

Home
50% of the income generated from flexications is spent on direct home purchases

Total Economy
115K estimated unique jobs were created in Florida alone to support the long-term vacation rental business

Unlock Growth Potential by Connecting with the ‘Flexication’ Taker

Meet Ashley

Ashley pours herself a cup of coffee as she hears her laptop ping back in her bedroom, now turned home office. Comfortable in her one-bedroom apartment in the city, she’s looking for some breathing room but not ready to move for good. After watching an episode of Somebody Feed Phil the night before, she caught the travel bug. Looking at the calendar on her laptop, she sees she doesn’t need to be in the office for any meetings for another week so she unlocks her phone and opens Vrbo for ideas.

Key Demographics
- Mid 20s to mid 30s
- Earns $80-$175k
- More likely to be White or Asian
- Married with no kids
- Employed in white collar job with flexible work arrangement
- 31% more likely to stream AVOD

Passion Points
- Music (106/37%)
- Baking (96/30%)
- Watching Sports (137/21%)
  - NBA (147/24%)
- Hosting friends (153/23%)

Media Consumption/Influence
- TV/OTT
- Print
- OOH
- Mobile
- Social

Key Categories
- Pet (225)
- Alcohol (114)
- Beauty (112)

Source: Airbnb, Numerator
02.
The ‘Treat Yourself’ Trip
## THE ‘TREAT YOURSELF’ TRIP

With Many Consumers Viewing Travel as a Reward, Indulgence in Luxury Experiences is Likely to Grow

<table>
<thead>
<tr>
<th>Luxury was already on the rise</th>
<th>Increased personal savings rates</th>
<th>Intentions to splurge on travel</th>
<th>Travel bucket list mentality</th>
</tr>
</thead>
<tbody>
<tr>
<td>55% of Americans have had an element of luxury as part of a leisure trip in the past five years</td>
<td>27.7% U.S. personal savings rate in March 2021</td>
<td>61% of global travelers plan to spend more than they normally would on a trip in 2021</td>
<td>66% of people globally were inspired to create a travel bucket list in 2020</td>
</tr>
</tbody>
</table>

Sources: Mintel Luxury Travel Report (March 2021); Bureau of Economic Analysis; American Express Travel: Global Travel Trends Report (January 2021); Expedia 2021 Vacation Deprivation Study
THE ‘TREAT YOURSELF’ TRIP
Brands Are Responding to the Growing Desire and Redefinition of Luxury Experiences

“As Restrictions Loosen, Families Travel Far and Spend Big”
The New York Times

“The Uberization of Private Jets Might Be Here to Stay”
WSJ

“American Airlines Adds Family-Friendly Premium Service”
Forbes
The ‘Treat Yourself’ Trip
A ‘Moments of Luxury’ Mindset Will Likely Have a Halo Impact Across Multiple Industries

Sources: Mintel Luxury Travel Report (March 2021); Expedia Media Group Solutions Trend Report (Q1 2021); Lending Tree Travel Survey (January 2021); McKinsey

Retail/Apparel
44% of adults believe shopping is a must-have activity for a luxury trip

Finance
20% of adults plan to open a new travel credit card in 2021

Restaurant
63% of adults believe fine dining is a must-have activity for a luxury trip

Insurance
9% global travel insurance CAGR is predicted for 2021-2025

Luxury
30% of luxury industry revenues are generated by consumers making purchases outside of their home countries
Unlock Growth Potential by Connecting with the ‘Treat Yourself’ Tripper

Meet Jason

Jason likes to start his day with a cup of coffee and a granola bar. He gets up a little early to catch the latest segment on his NPR One app. He pours out two glasses of orange juice, a habit he developed when his kids were young. Now that they’re teens, they won’t be up for a few hours. Since last year wasn’t terrible financially and he feels good about his bonus this year, he takes the time this morning to Google inspiration for some leisure destinations to treat himself and his family.

Key Demographics
- Married, father of two (308)
- Is in his mid-40s (178)
- Makes between $125-$150k annually (230)
- Employed full-time in middle management (176)

Passion Points
- Running (24%/130)
- Hiking (23%/242)
- Comedy shows (27%/122)
- Attending live sports (42%/174)
- Golf (15%/234)

Media Consumption/Influence
- TV/OTT
- Print
- OOH
- Mobile
- Social

Key Categories
- Home (226)
- Toys (172)
- Tech (117)

Source: Mintel, Numerator
Traveling with Intention
TRAVELING WITH INTENTION

As Consumers View Travel Choices as a Reflection of Identity, Many Are Embracing Values-driven Experiences

Global focus on sustainability

68% of global travelers agree they are trying to be more aware of sustainability-friendly travel brands to support

A more conscious travelling mindset

62% of travel planners are interested in making conscious (e.g., environmental, sustainable, ethically sound) travel decisions

From ‘overtourism’ to ‘philantourism’

59% of global travelers are interested in ‘philantourism’, the act of choosing a vacation or experience in order to support a destination through tourism

Choosing brands that align with values

69% of global travelers want to choose an airline/hotel that values diversity and inclusion, and whose employees reflect a diverse customer base

Sources: Mintel Vacation Planning & Inspiration (May 2021); American Express Travel: Global Travel Trends Report (January 2021)
TRAVELING WITH INTENTION
Brands Are Responding as Some Consumers Rethink How and Where to Travel

“Traveling With a Purpose: For Some, It’s a 2021 Resolution”
The New York Times

“Launching Good Travel with Marriott Bonvoy in APAC”

“Airlines Push to Reduce Carbon Footprint with Greener Fuels”
WSJ
TRAVELING WITH INTENTION

A Values-led Mindset Provides an Opportunity for Brands Across Industries to Create Connection

Sources: EHL Insights; American Express Travel: Global Travel Trends Report (January 2021); Booking.com The Future of Travel Report (October 2020)

Restaurant
77% of global travelers want to be more conscious about supporting local businesses while traveling

Tech/Telecom
55% of global travelers are excited about tech’s potential to further personalize their travel experiences in the future

Auto
50% of global travelers would consider a car rental for getting around a destination to avoid public transit

Retail/Apparel
53% of global travelers are willing to pay more for products that demonstrate environmental responsibility

Traveling with Intention
Unlock Growth Potential by Connecting with the ‘Intentional’ Traveler

Meet Ivan

Ivan wakes up and starts to prep a healthy breakfast for his twin daughters as they watch their favorite cartoons. After breakfast he squeezes in a quick game on his PlayStation before switching over to Telemundo to watch the latest international soccer match. He sees some travel ads and since his finances should be better over the next 12 months, get inspired to plan a family vacation where everyone can do outdoor activities.

Key Demographics
- Younger than 45
- Earns $100K or less annually
- Equally likely to be male/female
- More likely to be multicultural (Black, Asian, Hispanic)
- Has children
- Likely to be renting his/her home

Passion Points
- CrossFit/Bootcamp (170/8%)
- Running (137/13%)
- Going to the movies (103/49%)
- International Soccer (343/5%)
- Kids/Family programming (209/34%)

Media Consumption/Influence

<table>
<thead>
<tr>
<th>Category</th>
<th>TV/OTT</th>
<th>Print</th>
<th>OOH</th>
<th>Mobile</th>
<th>Social</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vegetarian Groceries</td>
<td>(227)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric Vehicle</td>
<td>(169)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts &amp; Crafts</td>
<td>(142)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Mintel, Numerator
04. International Arrivals
International Arrivals

Travel Amongst International Citizens Is Going to be Critically Dependent on Vaccine Status and Rollout

Future of travel bookings are tied to vaccine access
77% of global travelers said they’d be more likely to travel internationally once they receive the vaccine.

Incoming tourism to the US is not likely to rebound until 2022
95% of all travel searches for US destinations were coming from domestic US-based searches in March 2021.

Percentage of Fully Vaccinated Population (as of June 17, 2021)

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>44%</td>
</tr>
<tr>
<td>Italy</td>
<td>24%</td>
</tr>
<tr>
<td>UK</td>
<td>45%</td>
</tr>
<tr>
<td>France</td>
<td>21%</td>
</tr>
<tr>
<td>Canada</td>
<td>14%</td>
</tr>
<tr>
<td>South Korea</td>
<td>6.3%</td>
</tr>
<tr>
<td>Germany</td>
<td>27%</td>
</tr>
<tr>
<td>Japan</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

INTERNATIONAL ARRIVALS

74% of International Travelers Are Planning to Travel Domestically with Many Countries Launching Incentive Programs to Capture Demand

“Qantas’ Australian ‘Flight to Nowhere’ sells out in ten minutes”

“Italy launches ‘Holiday Bonus’ to boost battered tourism sector”

“Rental car shortage across Europe points to increases in domestic travel”

Sources: Trip Advisor Consumer Sentiment Survey, 2021
The US Model for Travel Recovery Serves as an Indicator for Future Tourism Spending and Points to a Big Wave in 2022

61% of global travelers plan on spending more than they normally would on a trip in 2022 to make up for 2020

23 Days avg
According to the Latin American Travel Association, travelers are booking longer trips in 2022 for an average trip of 23 days (vs. 10)

US traveler search patterns with vaccination news
week over week % change

Companies Should Prepare for the Unprecedented Resurgence of Travel Demand in 2022 and Understand What International Travelers Want When Booking

Sources: Expedia Group Traveler Sentiment & Influences, 2020-2021

**Health**
80% of travelers are more likely to travel to destinations that advertise safety and compliance.

**Auto**
69% of international travelers are more inclined to travel by car post-pandemic.

**Insurance**
70% of travelers feel more confident booking travel that offers flexible insurance and trip protection.

**Finance**
61% of travelers plan on spending more than they normally would on a trip in 2021 to make up for 2020.
Unlock Growth Potential by Connecting with the International Traveler

Key Demographics
- In a Relationship/Married (53%)
- No Kids (48%)
- AAPI (48%)
- Age 25-35 (29%)
- Not likely to have vacation plans in 2021 (37%)
- Would consider taking a long weekend or city break (47%)

Passion Points
- Sustainability/Environment (48%)
- Exercise (49%)
- Soccer (76%)
- Basketball (35%)
- Dining Out (52%)
- Music (57%)
- Films/Cinema (56%)

Media Consumption/Influence
- TV/OTT
- Print
- OLV
- Mobile
- Social

Source: Global Web Index, Global ravel Affinity and Demographics, May 2021

Meet Hae
Hae is a 27-year-old from Seoul and loves to travel with her long-term boyfriend. They usually take 3-4 trips a year but had to cancel their travel plans in 2020 due to the pandemic. This year, they’re cautious about booking any upcoming trips because of all the changing restrictions and rules. They’re saving up for a bigger long-haul trip in 2022 where they plan to visit multiple countries and spend more than they normally would.

Category Index
- Fashion 32%
- Beauty 34%
- Fitness 40%
- Gaming 39%
- Wellness 44%
- Tech 49%
- Food & Drink 53%
- Cars 34%
KEY CONSIDERATIONS:
Preparing for the Halo Effect of Travel Recovery

01. The ‘Flexication’
Embrace the hybrid future of work and travel
Travelers looking to experience something new still look for something familiar. Advertise to ensure your brand is top of mind as ‘flexicationers’ take advantage of new work fluidity.

02. The ‘Treat Yourself’ Trip
Attainable luxury is here to stay
Inform and invite audiences to participate in the luxury or upgradeable moments your brand has to offer as they curate their own experiences.

03. Traveling with Intention
Creating a better ‘new normal’ requires collective responsibility
Evaluate and communicate the role your brand plays in the world and provide your customers with options that allow them to contribute to a higher goal with their choices.

04. International Arrivals
Reassurance and flexibility are key
Global audiences are cautious yet eager to travel again. They need reassurance and encouragement to book international trips. High-touch communications around safety and flexibility will boost bookings in 2022.
WHAT’S NEXT: Watch Out for Additional Consumer Insights & Trends from NBCUniversal + Sky

Engaging the Leisure Traveler: 2021 + Playbook

Global Traveler Snapshot 2022: Understanding mindsets and drivers as regions relax travel restrictions

The Future of Business Travel: Is Growth on the Horizon?

The New American Family: Who They Are & How to Connect
Thank You!