Travel Industry Assessment 2022
Welcome!

Introduction
Explore NBCUniversal’s latest perspectives and insights into the Travel industry. This report provides an overview of recent marketplace dynamics, our prediction of key future trends impacting the industry, and strategic recommendations for Travel brands and marketers as they navigate what’s next.

Our Approach
At NBCUniversal, we have a legacy of working with a diverse range of Travel partners to build their brands. This report has been created based on NBCU’s:

• Ongoing Industry Evaluation
• Conversations with Travel Advertisers and Agencies
• Continual Marketplace Analysis
• Examination of Consumer Attitudes towards the Travel Industry
NBCUniversal Has a Unique Perspective

In 2022, NBCU worked with:
65+ travel industry advertisers

- Airlines
- OTAs & Websites
- Cruises
- Hotels & Lodging
- Tourism
- Rental & Rideshare
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2022 Landscape
Overview of Key Travel Marketplace Dynamics
In 2022, travel brands and destinations prioritized Keeping Pace with Demand as travelers around the world felt ready to hit the road and the sky with confidence this year.
Travel Brands Prioritized Keeping Pace with Demand in 2022

Travel Demand Comes Roaring Back

For the first time since the start of the pandemic, consumer spending on domestic travel surpassed 2019 levels in Q2 2022. This was followed by a surge in summer travel as consumers prioritized spending on fun despite looming economic uncertainty.

A Reward Mindset Is Embraced

This year traveler mindsets shifted beyond reuniting with family and friends. Many people booked travel as a reward and to make up for lost time amid 2+ years of travel restrictions and limitations. Travelers splurged on trips to unique destinations, entertainment events, and relaxing getaways.

Leisure & Long-Haul Drive Demand

As restrictions eased across the world, travelers booked long awaited international trips, especially across Europe. The microcation also remained prevalent, as some travelers opted for several shorter getaways throughout the year. While the outlook for business travel has improved, the length and frequency remain challenged.

Flexibility & Fluidity Remain a Focus

While travel confidence has grown, travelers continue to expect flexibility from travel brands and destinations as weather and illness impact travel feasibility. Additionally, the permanence of hybrid working models continues to shape new travel occasions and routines, creating new travel norms.

Sources: 1. US Travel Association
BRANDS ACROSS TRAVEL SUB-CATEGORIES ARE
Adapting to Evolving Travel Mindsets & Behaviors

Airlines
Despite higher costs, the number of domestic air travelers returned to 2019 levels over the summer. Amid labor shortages, many carriers struggled to keep up with demand. The blending of leisure and business trips presents an opportunity for the airline industry.

8.8M travelers were screened by the TSA over Labor Day Weekend, the first holiday exceeding 2019 screening volume.1

Cruises
2022 has been a year of transition for the cruise industry. With passenger volumes expected to rebound to 2019 levels by end of 2023, cruise lines are investing in new ships and destinations, and adapting to new expectations for safety and sustainability.

80% of travelers who have cruised before say they will cruise again – the same percentage as before the pandemic.2

Hotels & Lodging
Occupancy rates are approaching pre-pandemic levels this year, even as hotel portfolios navigated staffing shortages. Brands are focused on the blurring of business and leisure occasions and responding to the continued rise of home share/rental options.

63% is the expected average hotel room occupancy for 2022, approaching pre-pandemic levels (66%).3

Rental & Rideshare
The car rental and rideshare industry continues to be challenged by car shortages and evolving travel behaviors. Rentals are looking to modernize fleets via EVs and rideshare brands continue to diversify portfolios to drive business growth.

$96 per day was the U.S. average rental car rate in summer 2022, up from $51 in 2019.4

OTAs & Websites
OTAs and travel websites saw significant engagement as leisure travel continues to gain momentum. Brands look to gain share by streamlining loyalty programs and providing more full-service options that meet the needs of different consumer segments.

+33% increase in Expedia loyalty members in Q2 2022, when compared to 2019.5

Travel Forward-Looking Trends

Key Trends We Expect to Influence Travel Marketing & Media Strategies
LOOKING AHEAD
Key Travel Trends We Expect to Influence Marketing & Media Strategies

- Evaluating Travel’s Role as Essential
- Moving from Complex to Curated
- A Desire for More Mindful & Meaningful Trips
- Tech Elevates the Travel Experience
- Demand for Diversity & Inclusivity
Evaluating Travel’s Role as Essential

A powerful and newly heightened human desire for connection and exploration is expected to elevate the role of travel in people’s lives.

75% of American travelers say they still consider travel to be a worthwhile investment during a downturn.¹

Despite growing economic uncertainty, there is a strong desire to travel to celebrate an occasion, connect and foster relationships, or escape from the stress of daily lives.

We expect travel brands to play an increased role in not only facilitating travel, but also inspiring and validating travel choices.

Vacation Motivations
Q: “Why are you taking your vacation in 2022?”²

<table>
<thead>
<tr>
<th>Motivation</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>To Relax</td>
<td>65%</td>
</tr>
<tr>
<td>To Improve Mental Health &amp; Wellbeing</td>
<td>39%</td>
</tr>
<tr>
<td>To Have an Adventure</td>
<td>39%</td>
</tr>
<tr>
<td>To Feel Normal</td>
<td>31%</td>
</tr>
<tr>
<td>To Strengthen Relationships</td>
<td>29%</td>
</tr>
<tr>
<td>To Take a Trip I Had to Put Off</td>
<td>29%</td>
</tr>
<tr>
<td>To Continue a Tradition</td>
<td>23%</td>
</tr>
<tr>
<td>To Celebrate an Occasion</td>
<td>22%</td>
</tr>
</tbody>
</table>

“The desire to explore new lands, immerse yourself in new cultures, try new foods, visit with friends and family and make new friends has been part of the human condition forever, and that’s a lot of what drives my optimism.”

ANTHONY CAPUANO
CEO Marriott International

Moving from Complex to Curated

Consumers turn to travel brands to simplify a complex planning journey and provide curated, expert advice.

Today’s traveler looks at an average of 6 sites during their booking process.¹

As exciting as the dreaming phase of travel may be, many see the planning phase as daunting. For international trips, where the stakes are higher, it’s estimated that a minimum of 40 hours of research goes into planning.²

Brands are increasingly expected to help remove barriers and provide expert guidance that makes the planning process easier and more exciting, and makes every trip feel like a once-in-a-lifetime experience.

Sources: 1. Travelboom; 2. Elsewhere
A Desire for More Mindful & Meaningful Trips

Brands are challenged to respond to growing traveler priorities around wellness, community, and environment.

While traditional factors impacting travel decisions such as costs, amenities, and loyalty programs remain top of mind, consumers are increasingly embracing values-driven travel choices and experiences.

We expect many brands will evaluate and communicate the role they play in the world and provide more conscious travelers with options that allow them to contribute to a passion or higher goal with their choices.

Tech Elevates the Travel Experience

Brands invest in tech-enabled touchpoints to provide travelers with more personalized and seamless experiences.

Travelers have become accustomed to more choice and control over their travel experiences with the rise of touchpoints like onsite kiosks, online chatbots, and around-the-clock contact centers.

We expect travel brands to consider strategies that enable them to communicate their unique approach to decision drivers like technology. Brands will increasingly be able to capture data and insight through these touchpoints and, when combined with their rich first-party loyalty data, will be able to improve their ability to deliver more personalized travel options and experiences.

**MOBILE-FIRST**

60% of bookings are done in app, for travel brands that have an app available, up 41% from the prior year.¹

**CONTACTLESS**

62% of travelers prefer to check in and out of a hotel using an app, versus just 8% who prefer to use a public-facing kiosk.²

“The big thing is that technology and apps remove friction – you can easily check-in online, or make dinner reservations, or even book shore excursions through the app. With technology, for me, it’s more about how does it enhance the guest experience? It’s about how to have a good experience and how to enhance it – finding the right balance.”³

**BRIAN ABEL**
SVP, Hotel Operations, Celebrity Cruise

Sources: 1. StratoJets; 2. Stylus Hotel Technology; 3. Ship Technology
Demand for Diversity & Inclusivity

As consumers call for meaningful representation and authentic depiction, travel brands demonstrate commitments to diversity and inclusivity.

78% of consumers say they have made travel choices based on promotions or ads that they felt represented them through messaging or visuals.¹

By not only reflecting, but accurately portraying diverse individuals and communities, brands can stay at the forefront of culture and deepen consumer relationships.

Connecting with All Consumers

“Everything we do at Booking.com is about enabling smoother and more enjoyable travel experiences for everyone – no matter where they come from, who they love, or how they identify.”

ARJAN DIJK
CMO and SVP
Booking.com

Demonstrating Diverse Representation

“Faces of Travel was designed to better reflect the diverse customers we see on our planes every day and ensure they feel seen and heard in broader travel culture.”

SHANNON WOMACK
Dir., Lifecycle Mktg.

Source: 1. Expedia Media Group;
Summary

Key Travel Trends We Expect to Influence Marketing & Media

Evaluating Travel’s Role as Essential
A powerful and newly heightened human desire for connection and exploration is expected to elevate the role of travel in people’s lives.

Moving from Complex to Curated
Consumers turn to travel brands to simplify a complex planning journey and provide curated, expert advice.

A Desire for More Mindful & Meaningful Trips
Brands are challenged to respond to growing traveler priorities around wellness, community, and environment.

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NBCU Travel Strategic Considerations

Key Considerations for Driving Growth for Travel Brands
Travel Strategic Considerations

01. Inspire Travel Planning
Utilize high impact content environments and cultural events to capture attention, spark interest, and generate travel demand.

02. Reach Strategic Audiences
Leverage the combined power of incremental reach platforms and passion point content to connect and resonate with priority audiences.

03. Re-engage Business Travelers
Re-establish your brand relationship with business travelers and BDMs in relevant content environments and events.

04. Fuel Loyalty with a Data-led Approach
Leverage data to relevantly reach audiences across platforms and reinforce brand messaging with existing or prospective customers.

05. Create Interactive Experiences
Prompt audiences to discover, engage, or book through actionable content and commercial innovation.
Travel Strategic Considerations

**01. Inspire Travel Planning**
*Why:* Brands desire to engage leisure travelers earlier in their planning journey to spark desire and generate demand.

**02. Reach Strategic Audiences**
*Why:* Emerging platforms can help reach elusive audiences, while passion point content & contextual strategies capture attention.

**03. Re-engage Business Travelers**
*Why:* As business travel ramps up, brands need to reintroduce their offerings, so they can build salience, consideration and ultimately loyalty.

**04. Fuel Loyalty with a Data-led Approach**
*Why:* Data-driven approaches can help identify sources of growth, improve targeting, and tailor messaging.

**05. Create Interactive Experiences**
*Why:* As the travel journey continues to evolve, brands must align with content experiences that both create and convert demand.

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**Good For:**
- Awareness | Consideration | Salience | Broad Reach | Storytelling | Launch

- Awareness | Targeted Reach | Brand Perception | Consideration | Loyalty | Ad Recall

- Awareness | Consideration | Brand Perception | Recall | Trust | Loyalty | Engagement

- Targeted Reach | Incremental Reach | Loyalty | Conversion

- Consideration | Discovery | Engagement | Conversion
01. Inspire Travel Planning

Utilize high impact content environments and cultural events to capture attention, spark interest, and generate travel demand.

Alignment with IP
Align your brand with NBCU's premium, brand-safe, passion point content via sponsorship and integration opportunities.

Premier Live Events
Tap into the breakthrough moments and events that shape today's cultural conversation.

Cultural Heritage Celebrations
Celebrate Multicultural Audiences and drive impact by aligning with moments that matter year-round.

Talent Room
Explore NBCU's influencer hub, a standalone website connecting brands with the right talent to authentically share their brand story.
## Reach Strategic Audiences

Leverage the combined power of incremental reach platforms and passion point content to connect and resonate with priority audiences.

### Incremental Reach
Expand distribution by including platforms tailored toward more elusive audiences.

**Examples:**

<table>
<thead>
<tr>
<th>Audience</th>
<th>Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennials &amp; Gen Z</td>
<td>Peacock</td>
</tr>
<tr>
<td>Frequent Fliers</td>
<td>ReachTV</td>
</tr>
<tr>
<td>Gamers</td>
<td>Anzu</td>
</tr>
<tr>
<td>Luxury Travelers</td>
<td>Apple News</td>
</tr>
</tbody>
</table>

### Passion Points
Build new connection points with consumers by aligning with audience interests.

**Examples:**

<table>
<thead>
<tr>
<th>Audience</th>
<th>Passion Point</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foodies</td>
<td>Top Chef</td>
</tr>
<tr>
<td>Hispanic Audiences</td>
<td>World Cup on Telemundo</td>
</tr>
<tr>
<td>Business Decision Makers</td>
<td>CNBC News</td>
</tr>
<tr>
<td>Sports Enthusiasts</td>
<td>Golf Channel</td>
</tr>
</tbody>
</table>
03. Re-engage Business Travelers

Re-establish your brand relationship with business travelers and BDMs in relevant content environments and events.

Real-time & Trusted News Environments

Relevantly reach and engage audiences through tailored storytelling in engaging editorial environments.

Experiential Expert Events

Lead the travel conversation by owning or co-sponsoring an event aligned with your brand.

Franchised  Third-Party  Custom

NBC NEWS  TODAY  CNBC  MSNBC

BRAND STUDIO

CNBC EVENTS
04. Fuel Loyalty with a Data-led Approach

Leverage data to reach relevant audiences across platforms and reinforce brand messaging with existing or prospective customers.

Brands can bring their audiences to match to NBCU IDs or partner to develop custom audiences.

NBCU can create new custom audiences by combining a variety of data including our own, brand data, and 3rd-party data.

Audiences can be further expanded through lookalike modeling.

AdSmart provides seamless connection to NBCU inventory for audience activation.
05. Create Interactive Experiences

Prompt audiences to discover, engage, or book through actionable content and commercial innovation.

Contextually Align with Relevant Content and Environments

- Create a relevant, authentic, and positive connection between consumers and your brand.
- Contextually align your brand with relevant NBCU programming based on specific moods, genres, events, or themes.

Influence Behavior via Apple News Actionable Ad Formats

- Reinforce messaging and generate quality leads via Apple News engaging ad solutions.
- Tap-to capabilities can drive users to site, app download, deep link within app, email, chat, map, wallet etc.

Prompt Interaction with Commercial Innovation

- Seamlessly blend advertising and content to better engage the consumer and create interactive viewing experiences.
- Formats include but are not limited to Expandable Image Gallery, Interactive Countdown Clock, Pause Ads, Engagement Ads, etc.

Note: Activation feasibility would require further discussion
NBCU Relevant Materials

Example Travel Industry Partnerships
Travel Partnership Examples

NBCUniversal

DELTA
BEIJING
VRBO
TELEMUNDO
Hilton
bravo
TODAY

Uber

California

dream
dig
NBCU Travel Industry Content
TOGETHER SITE

Category Content & Strategies

Fueling the Cultural Conversation: Premier Live Events

Embracing & Connecting with Today's American Family

Blending of Worlds: Rise of a Global Culture

A Marketer’s Guide to the Metaverse

Travel Case Studies

AdSmart + Travel Hotel Chain

AdSmart + Travel Luxury Resort

AdSmart Contextual + DTC Luggage Brand

Million Dollar Listing + Hotels.com
2022
Travel Industry Assessment

NBCUniversal

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