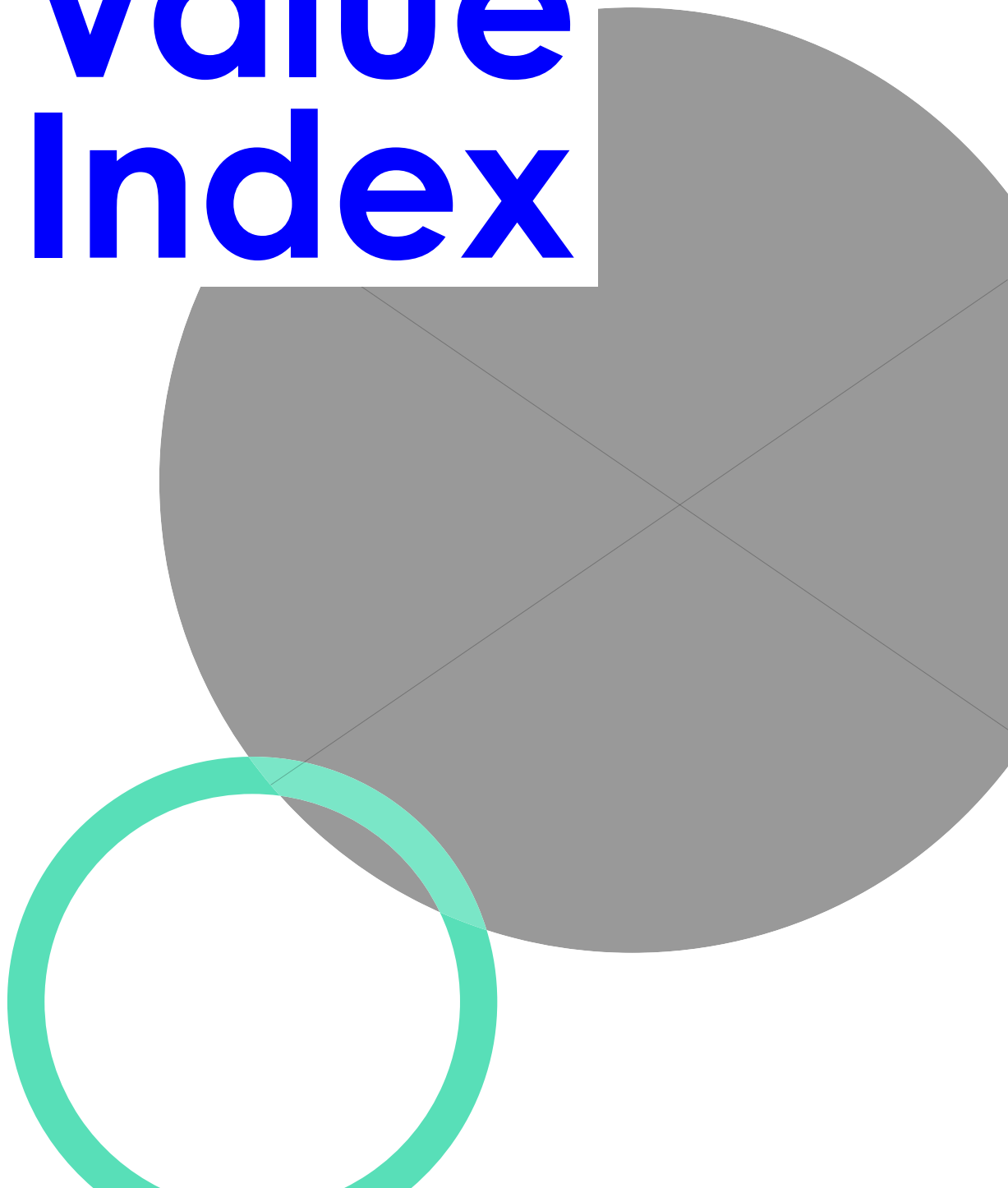


expedia group™

Traveler Value Index



Overview

“Travel as We Know it Is Officially Dead.”

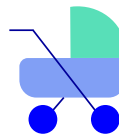
This was an actual headline from the first half of 2020.

Indeed, while all industries experienced the effects of COVID-19, the impact was perhaps no more dire and immediate than in the travel sector. Yet, relatively quickly, these fatalistic proclamations were debunked as people adapted to the realities of the pandemic. Travelers largely got used to COVID-19 protocols and established a “new normal,” while continuing to embrace what makes travel special: spending time with loved ones, exploring new places, and feeling connected to world.

Come June 2021, the industry experienced a resurgence in demand, particularly where vaccines and testing were readily available. More recently, emerging variants caused some fluctuations in travel patterns. Still, there has been a palpable shift from counting down to an undetermined date when the pandemic will “end” to the widespread understanding that COVID-19 may continue to be managed over time.

To better understand what's coming in 2022, Expedia Group conducted a study in collaboration with Wakefield Research in November 2021 among 5,500 nationally representative adults ages 18+ across Australia, Canada, France, Germany, Japan, Mexico, the UK, and US. The findings suggest that after two years of enduring the global pandemic, people value travel and personal time more than ever. Travelers are ranking flex travel at the top of their priorities and focusing intently on traveling for good, including taking steps such as tipping industry workers more and choosing less crowded destinations to limit effects of overtourism. This report underscores the resilience of the industry and reveals how travel companies can adapt to achieve a competitive advantage in this rapidly evolving environment.

The generations include:



Baby Boomers:
1946-1964



Gen X:
1965-1980

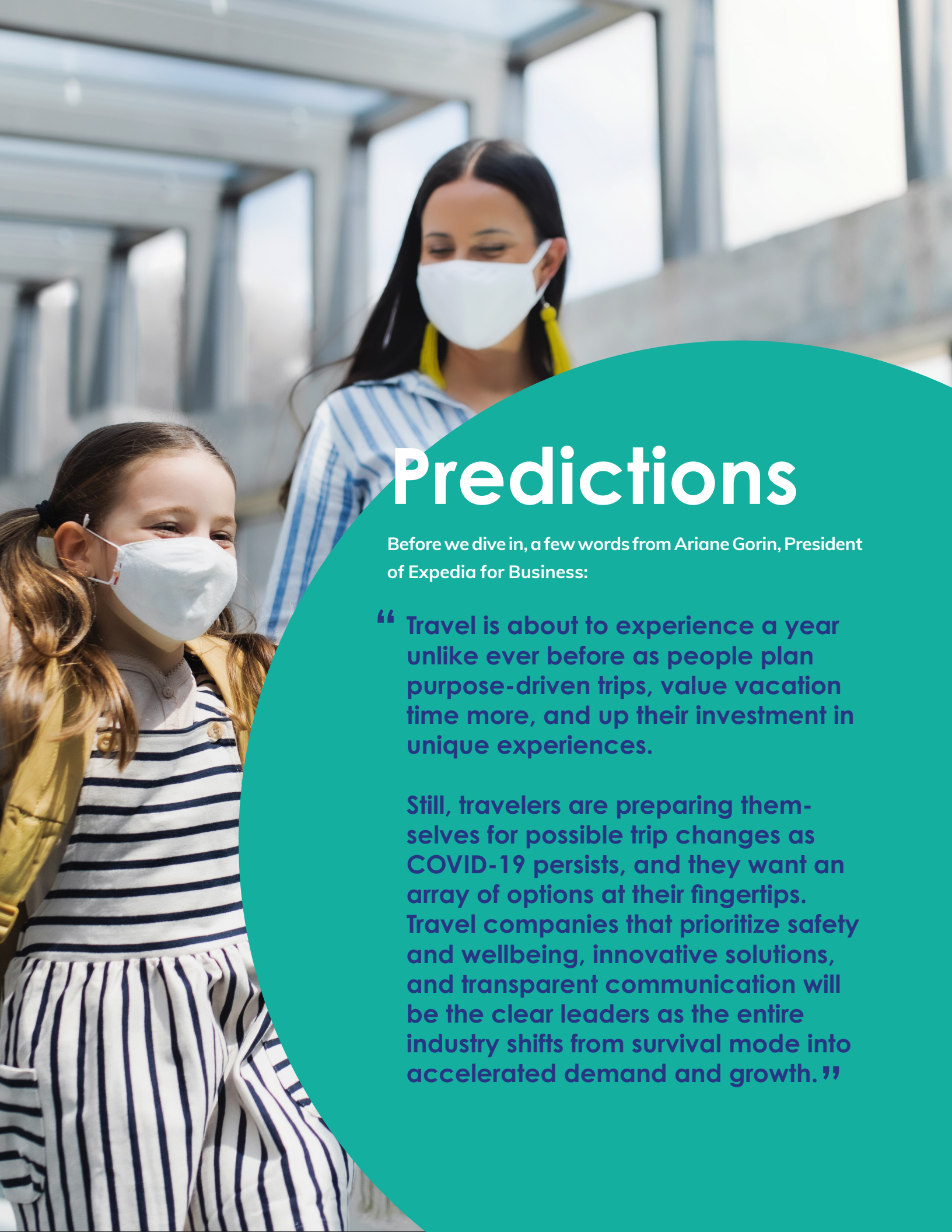


Millennials:
1981-1996



Gen Z:
1997-2003

Recent studies from Expedia and Vrbo were used to supplement the predictions in this report.



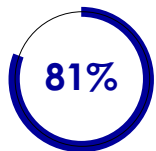
Predictions

Before we dive in, a few words from Ariane Gorin, President of Expedia for Business:

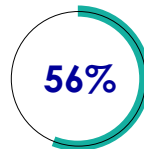
“ Travel is about to experience a year unlike ever before as people plan purpose-driven trips, value vacation time more, and up their investment in unique experiences.

Still, travelers are preparing themselves for possible trip changes as COVID-19 persists, and they want an array of options at their fingertips. Travel companies that prioritize safety and wellbeing, innovative solutions, and transparent communication will be the clear leaders as the entire industry shifts from survival mode into accelerated demand and growth.”

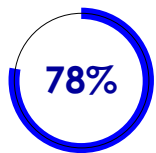
Most people will travel in the next six months — and frequent, quick trips are trending



81% plan to take at least one vacation with family and friends in the next six months.

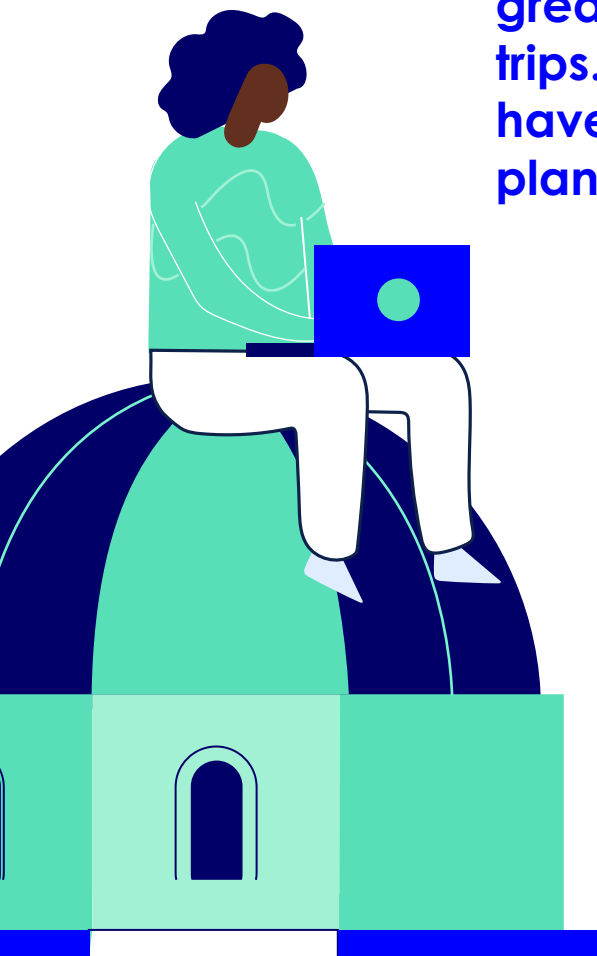


56% of those who often work remotely will take a “bleisure” style trip — extending a work trip for leisure, or vice versa.



78% are most interested in frequent short trips. As people head back into the office and kids remain in school, individuals and families may be looking for more quick doses of adventure.

Aussies will embark on the greatest number of leisure trips. Nearly a third (31%) have at least three trips planned.



People in Mexico will travel the most for work, with nearly half (47%) embarking on at least one trip.

People will invest more in travel compared to pre-COVID-19.

More than half (54%) of respondents say they plan to spend more on trips than they did prior to the pandemic.

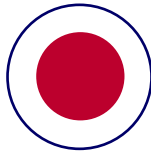
Here's a breakdown of how much people are planning to spend on average for their next trip:



A\$2,845

in USD: \$2,050

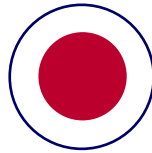
AUSTRALIA



¥14,270

in USD: \$130

JAPAN



C\$2,567

in USD: \$2,020

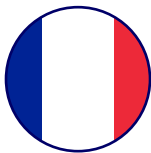
CANADA



MX14,813

in USD: \$710

MEXICO



€1,464

in USD: \$1,660

FRANCE



£1,567

in USD: \$1,830

UK



€1,607

in USD: \$2,060

GERMANY



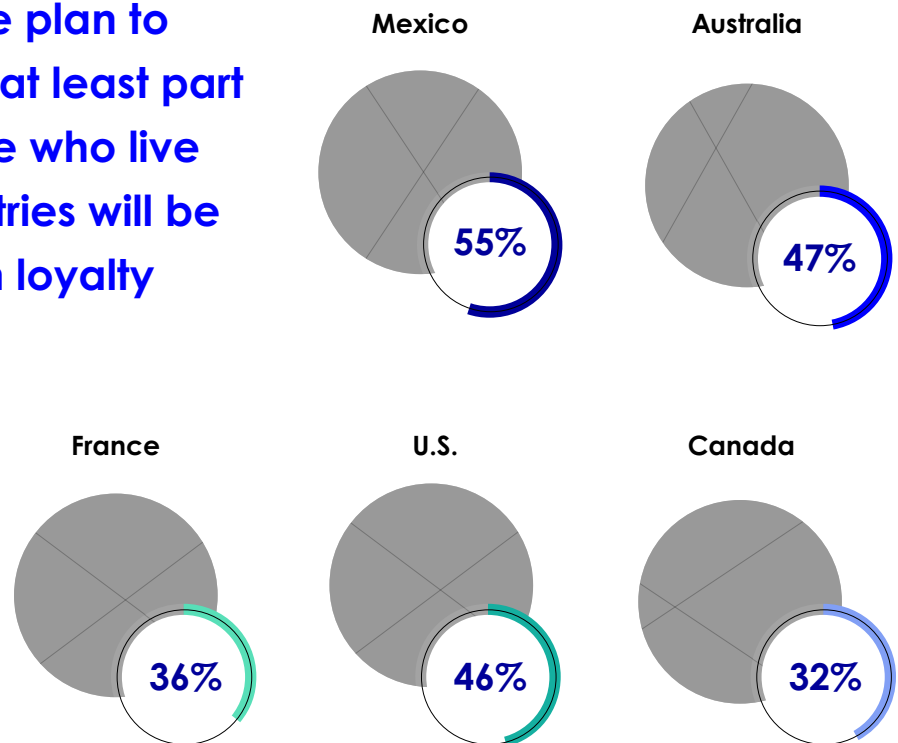
\$2,353

US

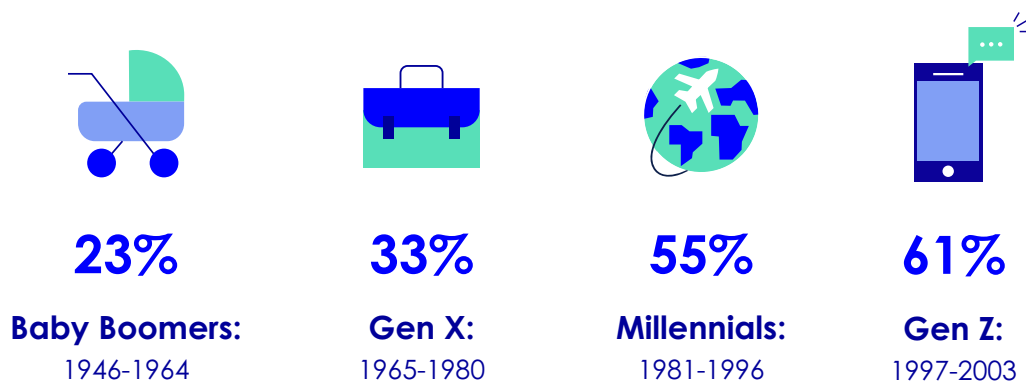
Japan's low average spend may be due to strict travel regulations in place as well as a preference for local, low-cost trips during the pandemic.

Travelers will use loyalty points accumulated during the pandemic to help fund trips.

Two in 5 (40%) people plan to use loyalty points for at least part of a trip in 2022. Those who live in the following countries will be more likely to cash in loyalty points for travel:



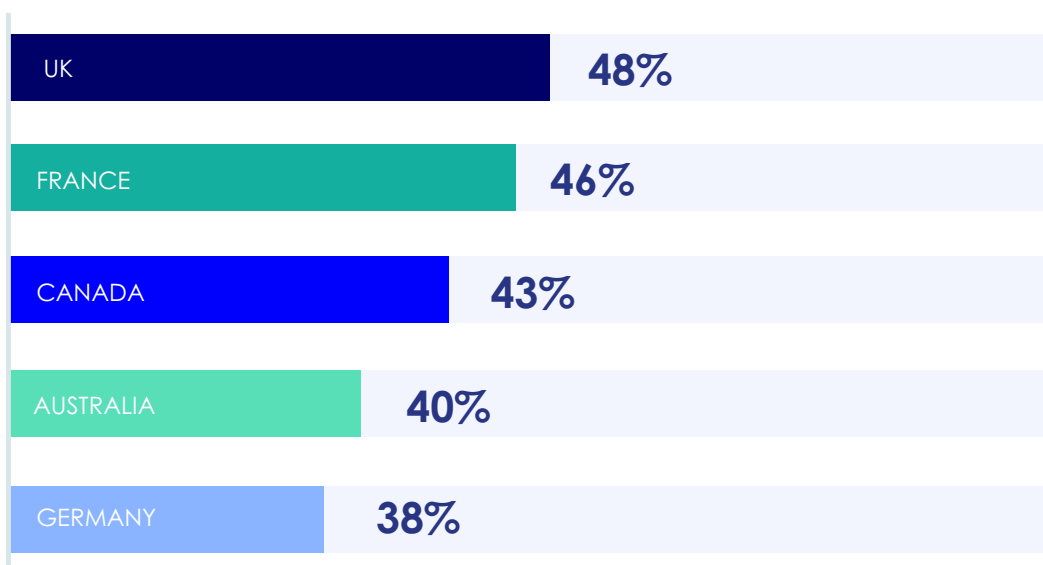
Compared to older generations, Gen Z conserved the most loyalty points that could be used for travel. Here's a breakdown of how many people have a stockpile of rewards at their fingertips:



International travel will start to make a comeback.

While most (71%) respondents plan to use their own car or a rental car for an upcoming trip, more than half (55%) say an airplane is their preferred mode of travel. With flights continuing to regain popularity and borders reopening to visitors, international travel will begin to rebound.

People who live in the following countries will travel the most internationally in the next six months:



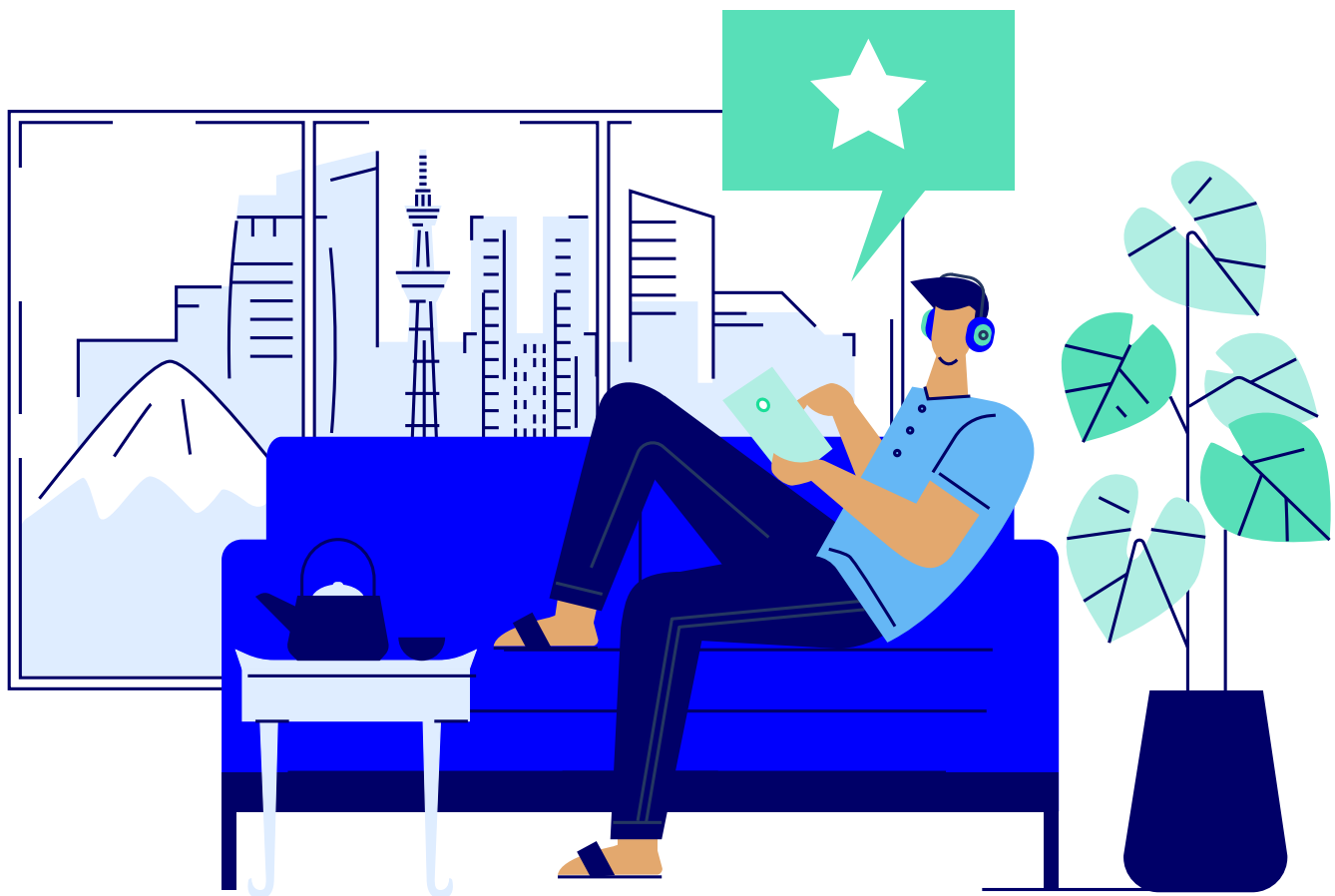
Approximately half of millennials (49%) and nearly the same percentage of Gen Z (47%) say they're likely to travel internationally or already have an international trip booked, while older generations are more reluctant. Nearly 2 in 5 (34%) of Gen X would consider going abroad, while less than a quarter (20%) of baby boomers would do the same.

Great deals and flexibility will remain top priorities for travelers.

As we saw in What Travelers Want and Traveler Value Index earlier in 2021, the ability to book travel for a reasonable price and make changes to trip itineraries is an absolute must in the eyes of travelers. It appears this widely held expectation is not only here to stay, but it has become the industry standard.

83% say flexible fare options makes a world of difference.

85% say a discounted fee is influential when booking a flight online.



People will travel more responsibly and consciously.

Almost all (93%) people say they will adapt travel plans because of current lack of workers in the tourism industry, and 98% are taking into consideration the impact of COVID-19 on local communities. Here are a few of the steps they're willing to take to ease the strain during upcoming trips:

62%

diligently follow COVID-19 guidelines when they travel.

38%

deliberately spend at locally owned restaurants and businesses

54%

pick a destination known for strong COVID-19 safety protocols.

37%

are prepared to pay higher prices

48%

choose a destination with low COVID-19 case counts

27%

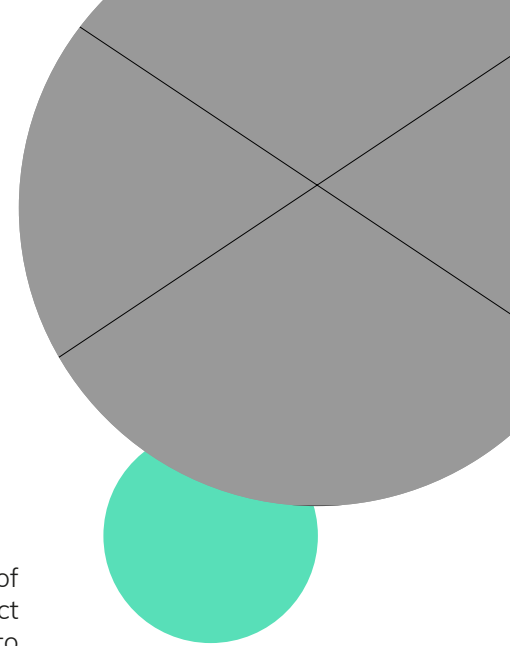
are willing to postpone travel plans due to labor shortages and the impact of COVID-19.

43%

add in extra time for services and transit, helping to minimize long lines, stress on workers, and missed flights

21%

tip more than normal.

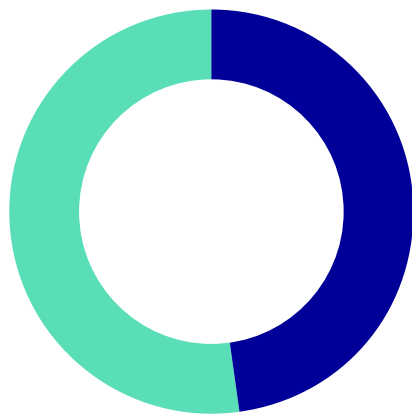
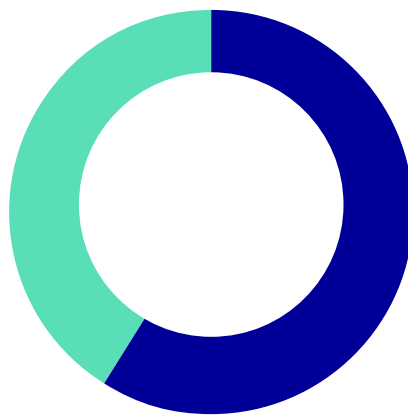


Sustainable trips will rise in popularity.

A growing number of travelers are looking to minimize impact to the environment — even when doing so requires extra investment.

59%

are willing to pay more fees to make a trip sustainable

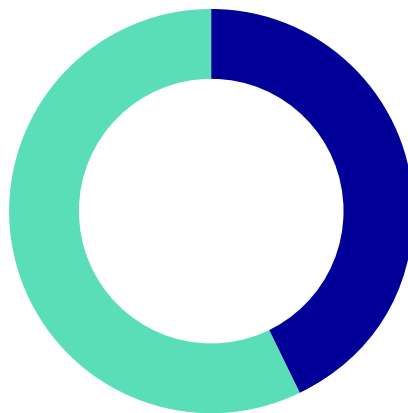


49%

choose a less crowded destination to reduce effects of overtourism

43%

travel locally



There will be a surge in travel for personal wellness.

Following the last two years, there is undoubtedly a heightened focus on traveling for personal well-being, and it seems trips will have a healing effect for many. Through a study of more than 12,000 travelers across 12 countries, the Expedia® 2022 Travel Trends Report discovered the following when it comes to U.S. travelers:

62% are prioritizing relaxation as they plan their next trip.

62% are searching for a sense of contentment and mental well-being.

62% plan to spend less time on their devices to be more present.

Here are the top destinations where Expedia is seeing the greatest interest among travelers based on hotel trip searches.

In the U.S.:

1. Orlando, FL
2. Destin, FL
3. Gatlinburg and Pigeon Forge, TN
4. Panama City, FL
5. Maui, HI

Outside the U.S.:

1. Riviera Maya, Mexico
2. Rome, Italy
3. Bali, Indonesia
4. London, England
5. Paris, France



Workers will use personal days for travel like never before.

The pandemic caused many to reflect on what they value most, especially since many adults have had to adjust to working from home and juggling their personal and professional lives. Now, as companies prepare to return to the office and evolve remote work policies, employees will make greater use of their vacation time. Compared to pre-COVID times, the 2022 Vrbo® Trend Report, which surveyed 1,000 U.S. families, found that:

91% have a greater appreciation for spending quality time with family.

84% have a greater appreciation for vacation time.

84% have a greater appreciation for vacation time.

77% have a greater appreciation for separating professional and personal life.

30% are more likely to take a sabbatical.

59% are more likely to take a two-week vacation.

Here are the top destinations where Vrbo is seeing the greatest interest among travelers based on vacation rental trip searches.

In the U.S.:

1. Fort Myers & Cape Coral, FL
2. Maui, HI
3. Florida Keys, FL
4. Clearwater & St. Petersburg, FL
5. Naples, FL

Outside the U.S.:

1. St. Thomas, U.S. Virgin Islands
2. St. John, U.S. Virgin Islands
3. Cabo San Lucas, Mexico
4. Caicos Islands, Turks and Caicos
5. Oranjestad, Aruba



Travel companies must continuously adapt to remain competitive in uncertain times.

The future of travel certainly looks brighter than it did this time last year, as people across the globe plan to travel more, increase their investment in trips, and adapt to industry challenges. But that means travel companies must adapt, too, and prepare for fluctuations in demand for the foreseeable future.

In this new environment of uneven recovery, it's more important than ever to differentiate from competition and earn loyalty from travelers who will inevitably experience plenty of brands vying for their attention.

Here's where travel companies can start:

1. Make sure travelers can still get a refund or credit if plans change. Clearly communicate cancellation and change policies.
2. Provide a range of options and pricing to capture demand among all types of travelers and trips.
3. Proactively share COVID-19 updates and guidance with customers, from broad updates on border status and market-specific travel restrictions, to on-property considerations such as cleanliness protocols and staffing impacts.
4. Strive to be a companion for travelers every step of the way during planning, throughout their trip, and afterwards. Deliver on promises, collect customer feedback, and adapt accordingly.
5. Offer new incentives to attract travelers. In contrast to previous years, these promotions do more than simply encourage hesitant travelers; — they provide differentiation in a hot, rebounding market.
6. Consider introducing new deals specifically for quick trips to achieve a competitive edge.
7. Factor in impending redemption of loyalty points at scale, and the market opportunity ahead. Think about how your company can play a role in robust industry rewards programs.
8. Ramp up marketing, particularly in the markets where people are most keen to travel domestically and internationally.
9. Knowing travelers are focused on wellness and meaningful experiences, give thought to how you can integrate this concept into your messages to customers and potentially package deals.
10. Increase commitment to sustainability and expand eco-friendly trip options at a cost to travelers.