**Travel Industry 2021 PLUS**

**On the Road to Recovery**

The fall 2021 travel forecast from the U.S. Travel Association shows 2021 total travel spending increased 29.0% over 2020; however, 2020 spending decreased 42.0% from 2019. Total 2022 travel spending in the US is expected to increase 21.1%.

Although travel increased during Q3 2021 and many Americans traveled during the holiday period, the rapid spread of the Omicron COVID-19 variant and the continued prevalence of the Delta variant makes it difficult to determine how they will affect 2022 travel.

Until travel returns to its “normal” levels, leisure travelers must remain flexible because of shorter booking windows and higher costs from inflation and rescheduled bookings. Outbound and inbound international travelers will face even more challenges.

**US Adults’ Comfort with Various Travel Activities, October 2021**

|  |  |  |  |
| --- | --- | --- | --- |
| Activity | Percent | Activity | Percent |
| Take a road trip | 76% | Traveling by train | 45% |
| Rent a vehicle | 60% | Traveling by bus | 39% |
| Flying domestically | 45% | Flying internationally | 29% |
| Flying on an airplane | 45% |  |  |

 Morning Consult, December 2021

**Latest Effects of COVID-19 on Travel**

As the Omicron COVID-19 variant spreads, the expected recovery of the US travel industry remains in doubt. Morning Consult found 43% of the respondents to its October 2021 survey said “personal health and safety” was the top reason they traveled less domestically.

The results of a more recent survey (December 2021) from MMGY Global showed 45% of participants who knew of the Omicron variant said they were likely to travel less during the next three months.

The US government order of 12/6/21 requiring international air travelers to the US to provide a negative COVID-19 test has only exacerbated the travel industry’s challenges as those travelers spent $181 billion in the US during 2019, but only $40 billion during 2021.

**When US Adults Expect To Take Their Next Leisure Trip,**

**Compared to Other Selected Countries, October 2021**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Country | Within a Month | 1–3 Months | 4–6 Months | 7–12 Months | More Than a Year | Never |
| United States | * 11%
 | * 21%
 | * 18%
 | * 17%
 | 21% | 12% |
| China | * 7%
 | * 25%
 | * 15%
 | * 21%
 | * 27%
 | * 5%
 |
| U.K. | 9% | * 15%
 | * 20%
 | * 24%
 | * 27%
 | * 5%
 |
| Japan | 8% | * 14%
 | * 11%
 | * 15%
 | * 29%
 | * 23%
 |
| Canada | * 6%
 | * 11%
 | * 15%
 | * 22%
 | * 35%
 | * 10%
 |

Morning Consult, December 2021

**Travelers’ Insights**

Unsurprisingly, price is the primary booking factor for transportation (68%) and accommodations (70%) among those participating in the Morning Consult’s Q4 2021 The State of Travel Hospitality report/survey.

Although most people travel to relax, to spend time with friends and family and to escape, pandemic or no pandemic, these remain the top three reasons to travel during the next 12 months (through September 2022), all three exceeding 50% among all survey respondents.

Travelers have quickly learned their plans require more flexibility during the pandemic and the Morning Consult survey found 10% would pay as much as $100 more for a flexible flight and 34% would pay at least an additional $20 for a flexible hotel booking.

**Top Five Pandemic Protocols Travelers Expect**

**Travel Brands to Implement, October 2021**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Protocol | Definitely Should | Probably Should | No Opinion | Probably Shouldn’t | Definitely Shouldn’t | Net Score |
| Clean private customer areas | * 73%
 | * 16%
 | * 7%
 | 2% | 2% | 85% |
| Clean common customer areas | * 74%
 | * 15%
 | * 6%
 | * 3%
 | * 2%
 | * 84%
 |
| Provide info on destinations’ protocols | 56% | * 27%
 | * 10%
 | * 4%
 | * 3%
 | * 75%
 |
| Allow for physical distancing | 53% | * 29%
 | * 9%
 | * 5%
 | * 4%
 | * 73%
 |
| Publicly share protocol information | * 56%
 | * 25%
 | * 10%
 | * 5%
 | * 5%
 | * 71%
 |

Morning Consult, December 2021

**More Travelers’ Insights**

Younger travelers (18–35) are generally leading the travel industry’s recovery and, according to Contiki, an online booking agency catering to young adults, younger travelers are more likely to book beach vacations and European and Asian and African destinations.

Travel agencies are reporting a few interesting trends among younger adults, such as being significantly influenced by travel information on social media and many are booking basic transportation and accommodations and using the savings for other travel expenses.

A Q3 2021 survey from Fluent found travelers (of all ages) are more likely to book/purchase a hotel accommodation on their phone at 15%, with a plane ticket second at 14%, followed by travel package (10%), cruise (7%) and other travel services (7%).

**Top Five Reasons Travelers Would Feel More**

**Negatively About an Airline, October 2021**

|  |  |  |
| --- | --- | --- |
| Reason | Much More | Somewhat More |
| A flight attendant behaving inappropriately | * 20%
 | 32% |
| Many flight cancellations for non-weather-related reasons | * 22%
 | * 28%
 |
| An airline employee voicing a political opinion the opposite of a customer’s | 13% | * 19%
 |
| Mandated vaccinations for all domestic passengers | 17% | * 9%
 |
| Mandate vaccinations for all airline employees | * 14%
 | * 8%
 |

Morning Consult, December 2021

**Domestic Travel Insights**

The U.S. Travel Association’s Fall 2021 Travel Forecast states the $702 billion in total domestic leisure travel during 2021 increased 26.6% YOY and exceeded the 23.2% decrease in 2020 domestic leisure travel and was a 97% share of 2019’s.

2021 domestic leisure person trips totaled 1.77 billion, increasing 27.8% from 2020, but didn’t account for a complete recovery from 2020’s decline of 31.8% from 2019. Total domestic leisure trips are forecast to increase 10.6% during 2022.

Because the pandemic makes it more difficult to travel internationally, Expedia’s Q3 2021 Travel Recovery Trend Report found only one international destination, Cancun, among the top 10 book destinations during Q3 2021, all the others were in the US.

**Top 10 Vacation Rental Destinations Booked With Vrbo, Q3 2021**

|  |  |
| --- | --- |
| Destination | Destination |
| #1: Panama City Beach, FL | #6: Kihei, HI |
| #2: Kissimmee, FL | #7: Lahaina, HI |
| #3: Gulf Shores, AL | #8: Destin, FL |
| #4: Sevierville, TN | #9: Myrtle Beach, SC |
| #5: Hilton Head, SC | #10: Orange Beach, AL |

 Expedia Media Group, November 2021

**International Travel Insights**

According to the U.S. Travel Association’s Fall 2021 Travel Forecast, international leisure travel spending will only total $32 billion during 2021 after generating only $31 billion during 2020, compared to $145 billion for 2019.

The new pandemic restrictions as of December 2021 may dampen the positive forecast of $107 billion in international leisure spending for 2022 and could also jeopardize the 2024 forecast of $148 billion, which would finally exceed 2019’s total.

The Association also calculated US travel exports (or money international travelers spend in the US) decreased $300 billion from March 2020 through October 2021 and also was the cause of one million fewer US jobs in the many travel verticals.

**Total of International Destinations the Centers for Disease Control and Prevention Recommends for Americans to Avoid by COVID-19 Level, December 2021**

|  |  |
| --- | --- |
| COVID-19 Level | Total |
| Level 4: Very high | 88 |
| Level 3: High | * 46
 |
| Level 2: Moderate | * 24
 |
| Level 1: Low | * 51
 |
| Level Unknown | * 41
 |

 Centers for Disease Control and Prevention, December 2021

**Air Travel Trends**

Comparing 2021’s total flight departures (from the US Bureau of Transportation Statistics) through the week of 12/13/21 to 2019 reveals 2021’s departures were still significantly less, or 184,807 and 214,364, respectively, with 2020’s total for the same week at 124,142.

Passenger air-rage incidents are certainly a pandemic-related issue. According to the Morning Consult survey cited on previous pages, only 36% of respondents were “not at all concerned” about these incidents while 21% were “very” or “extremely” concerned.

Despite the disruptions the pandemic has caused at airports and for the airline industry, the US Department of Transportation received 35.9% fewer consumer complaints than August 2021 and 25.94% fewer than September 2020. 58.3% involved refund complaints.

**Comparison of Total US Weekly International**

**Flight Departures, 2019, 2020 and 2021**

|  |  |  |  |
| --- | --- | --- | --- |
| Week | 2021 | 2020 | 2019 |
| Week 8 (February) | * 11,986
 | 28,860 | 30,167 |
| Week 16 (April) | * 13,775
 | * 2,695
 | * 30,884
 |
| Week 24 (June) | * 16,918
 | * 3,584
 | * 32,592
 |
| Week 32 (August) | 19,063 | * 7,276
 | * 32,937
 |
| Week 40 (October) | 17,729 | * 8,165
 | * 28,520
 |
| Week 48 (December) | * 20,259
 | * 11,429
 | * 27,029
 |

 US Bureau of Transportation Statistic, December 2021

 Color represents change from previous period

**Air Travel Consumers**

Data analysis of five representative 2021 consumer/market surveys from The Media Audit revealed an average of 36.5% of adults 18+ traveled by air during the past year. Those 25–44 had the largest average share at 41.3% while those 55+ were second at 27.4%.

Although adults 18+ with household incomes less than $35K (21.0% average share) and $35K–$75K (23.6% average share) were air travelers during the past year, those with a household income of $75K–$150K had the largest average share at 35.6%.

Boomers or the Silent Generation over-indexed the most for one domestic air flight during the past year in all five markets while Gen Zers over-indexed the most for eight or more international flights in four of the five markets.

**Adults 18+ Who Traveled at Least Once By Air\* and Their Heavy**

**Exposure to Selected Media, by Indices, in Selected Markets, 2021**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Media | Fort Myers-Naples, FL | Cleveland | Austin | Monterey-Salinas, CA | Portland, OR |
| Radio (180+ min. avg. day) | * 121
 | * 113
 | * 100
 | * 126
 | 122 |
| TV (300+ min. avg. day) | 80 | * 103
 | * 86
 | * 81
 | * 74
 |
| Internet (180+ min. typical day) | 98 | * 105
 | * 101
 | * 99
 | * 96
 |
| Social Media (180+ min. typical day) | * 118
 | * 145
 | * 106
 | * 116
 | * 114
 |

Based on The Media Audit’s 2021 surveys \*during the past year

**Business Travel Trends**

Of all the travel sectors, business was hit the hardest by the pandemic. Although the U.S. Travel Association has forecasted a 55.2% YOY increase in 2021 business travel, it will only represent a 50% share of 2019 business travel.

International business travel for 2021 will only be 22% of 2019. In its fall 2021 forecast, the U.S. Travel Association expects a 202.3% change from 2021 to 2022, but the Morning Consult survey found 39% of business travelers said they would never travel for business.

The Morning Consult survey also revealed business travelers said they would be taking shorter trips: day trip 21% and 2–3 days 25% and the largest percentages said they would travel by car: next three months 62% and next 12 months 55%.

**Adults 18+ Who Are Primary Business Air Travelers,**

**by Indices and by Generation, in Selected Markets, 2021**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Generation | Tampa-St. Petersburg | Chicago | Austin | Salt Lake City | San Francisco |
| Gen Z | * 292
 | * 136
 | * 131
 | * 125
 | 129 |
| Millennials | 210 | * 163
 | * 164
 | * 102
 | * 163
 |
| Gen X | 70 | * 110
 | * 79
 | * 124
 | * 107
 |
| Baby Boomers | 11 | * 18
 | * 17
 | * 67
 | * 23
 |
| Silent Generation | * 8
 | * 9
 | * \*
 | * 44
 | * 30
 |

 Based on The Media Audit’s 2021 surveys \*insufficient data

**Influencers of Business Travel at Corporations and Businesses**

According to five representative 2021 consumer/market surveys from The Media Audit, an average of 53.1% men and 46.9% of women at businesses and corporations influence travel services and corporate travel.

More than 90%, on average, are 25 or older: 25–44 35.7%, 45–54 28.4% and 55+ 31.9%. The markets with the largest percentages by age group are San Francisco 25–44 44.3%, Austin 45–54 41.9% and Salt Lake City 55+ 52.2%.

More than 70%, on average, have household incomes of $75K–$150K 47.0% and $150K or more 25.6%, which is reflected in the table below of these business travel influences by occupation.

**Adults 18+ Who Influence Travel Business Services/Corporate Travel,**

**by Their Occupations, in Selected Markets, 2021**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Occupation | Tampa-St. Petersburg | Chicago | Austin | Salt Lake City | San Francisco |
| White-collar workers | * 85.4%
 | * 89.2%
 | * 63.8%
 | * 88.9%
 | 79.9% |
|  Professional/Technical | 20.0% | * 16.7%
 | * 18.0%
 | * 32.0%
 | * 26.3%
 |
|  Proprietors/Managers | 56.3% | * 68.9%
 | * 45.8%
 | * 47.5%
 | * 50.2%
 |
|  Clerical/Sales | 9.1% | * \*
 | * \*
 | * 9.4%
 | * 3.4%
 |
| Business owner/partner/corporate officer | * 33.7%
 | * 39.5%
 | * 54.5%
 | * 52.2%
 | * 38.2%
 |

Based on The Media Audit’s 2021 surveys \*insufficient data

**Cruise Industry Update**

Since Media Group Online’s recent Cruise Industry 2021 Profiler, cruise lines and passengers expecting fewer restrictions on travel now face the Omicron variant of COVID-19, which has prompted Carnival Cruise Line and Norwegian Cruise Line among others to require masks.

Many cruise lines, such as Princess Cruises, are still delaying the resumption of some sailings until March and April and could be delayed further. Some December cruises, such as Royal Caribbean’s Symphony of the Seas, have reported positive COVID-19 cases.

According to *Cruise Industry News*, the number of cruise brands, ships and berths restarting increased from 11/21/21 to 12/21/21: brands, from 64 to 68; ships, from 230 to 239; and berths from 392,685 to 425,880.

**Adults 18+ Who Are Planning to Take an Ocean Cruise During the**

**Next 12 Months, by Indices and by Generation, in Selected Markets, 2021**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Generation | Fort Myers-Naples, FL | Detroit | Des Moines, IA | Phoenix | Portland, OR |
| Gen Z | * 95
 | * 82
 | * 364
 | * 84
 | 56 |
| Millennials | 98 | * 131
 | * 35
 | * 105
 | * 62
 |
| Gen X | 110 | * 96
 | * 29
 | * 74
 | * 131
 |
| Baby Boomers | 117 | * 89
 | * 107
 | * 115
 | * 101
 |
| Silent Generation | * 48
 | * 68
 | * \*
 | * 136
 | * 203
 |

 Based on The Media Audit’s 2021 surveys \*insufficient data

**Hotel Industry Update**

According to the analysis of STR data from CoStar Group, hotel demand improved during Q3 and into Q4 2021 in what STR categorizes as “recovery mode” or 80% to 100% of 2019’s RevPAR (Revenue Per Available Room).

During the week of December 5–11, STR reported the occupancy rate for hotels in the top 25 markets was 57.4% or 4.8% less than the equivalent week of 2019. The average daily rate (ADR) was $128.35, a 2.3% increase from 2019, but RevPAR decreased 2.7%.

Although their comments were made before the surge in the Omicron COVID-19 variant, several executives at public hotel companies are expecting 2022 to be a better year for business transient and group demand.

**US Key Performance Indicators Forecast for the Hotel Industry, November 2021**

|  |  |  |  |
| --- | --- | --- | --- |
| Metric | 2020 Actual | 2021 Forecast | 2022 Forecast |
| Occupancy rate | * 44.0%
 | * 57.1%
 | 63.4% |
| Average daily rate (ADR) | $103 | * $123
 | * $130
 |
| Revenue per available room (RevPAR) | $45 | * $70
 | * $82
 |
| RevPAR compared to 2019 | * -47%
 | * -19%
 | * -4%
 |

 CoStar Group/STR, November 2021 color represents comparison to previous period

**More Valuable Insights**

According to the MMGY Travel Intelligence “Portrait of American Travelers” survey (October 2021), Baby Boomers said they would spend $4,000 on travel during the 12 months through September 2022. Those Boomers with household incomes of $150,000 are most enthusiastic about traveling.

Millennials, however, said they were planning the most average trips during the next 12 months than all other generations: Millennials 4.4, Gen Zers 4.1, Boomers 3.8 and Gen Xers 3.3.

Substantial percentages of survey respondents are members of travel loyalty programs: hotel 52% and airlines 48%. OTA Websites or apps (Expedia, TripAdvisor and Travelocity) also remain popular as 73% of active leisure travelers said they use them regularly. The top reason was to compare prices and availability at 66% of all travelers.

**How Far In Advance Travelers Arrange Leisure and Business Trips, October 2021**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Trip Plans | Less Than a Month | 1–3 Months | 4–6 Months | 7–12 Months | More Than a Year |
| Arrange transportation |  |  |  |  |  |
|  Leisure trips | 28% | * 43%
 | * 20%
 | * 7%
 | * 2%
 |
|  Business Trips | 33% | * 40%
 | * 16%
 | * 7%
 | * 4%
 |
| Arrange accommodations |  |  |  |  |  |
|  Leisure trips | 25% | * 43%
 | * 20%
 | * 8%
 | * 4%
 |
|  Business Trips | 27% | * 46%
 | * 14%
 | * 8%
 | * 5%
 |
| Research destinations |  |  |  |  |  |
|  Leisure trips | 20% | * 35%
 | * 28%
 | * 11%
 | * 6%
 |
|  Business Trips | 27% | * 41%
 | * 20%
 | * 9%
 | * 3%
 |
| Select destinations |  |  |  |  |  |
|  Leisure trips | 20% | * 37%
 | * 26%
 | * 12%
 | * 5%
 |
|  Business Trips | * 24%
 | * 41%
 | * 22%
 | * 9%
 | * 4%
 |

Morning Consult, December 2021

*Sources:* U.S. Travel Association Website, 12/21; Morning Consult Website, 12/21; Travel Agent Central Website, 12/21; Reuters Website, 12/21; Travel Pulse Website, 12/21; Fluent Website, 12/21; Expedia Group Website, 12/21; Centers for Disease Control and Prevention Website, 12/21; US Bureau of Transportation Statistics Website, 12/21; The Media Audit Website, 12/21; CoStar Group Website, 12/21.

*Updated*: December 2021

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**Local Market and Station Information**