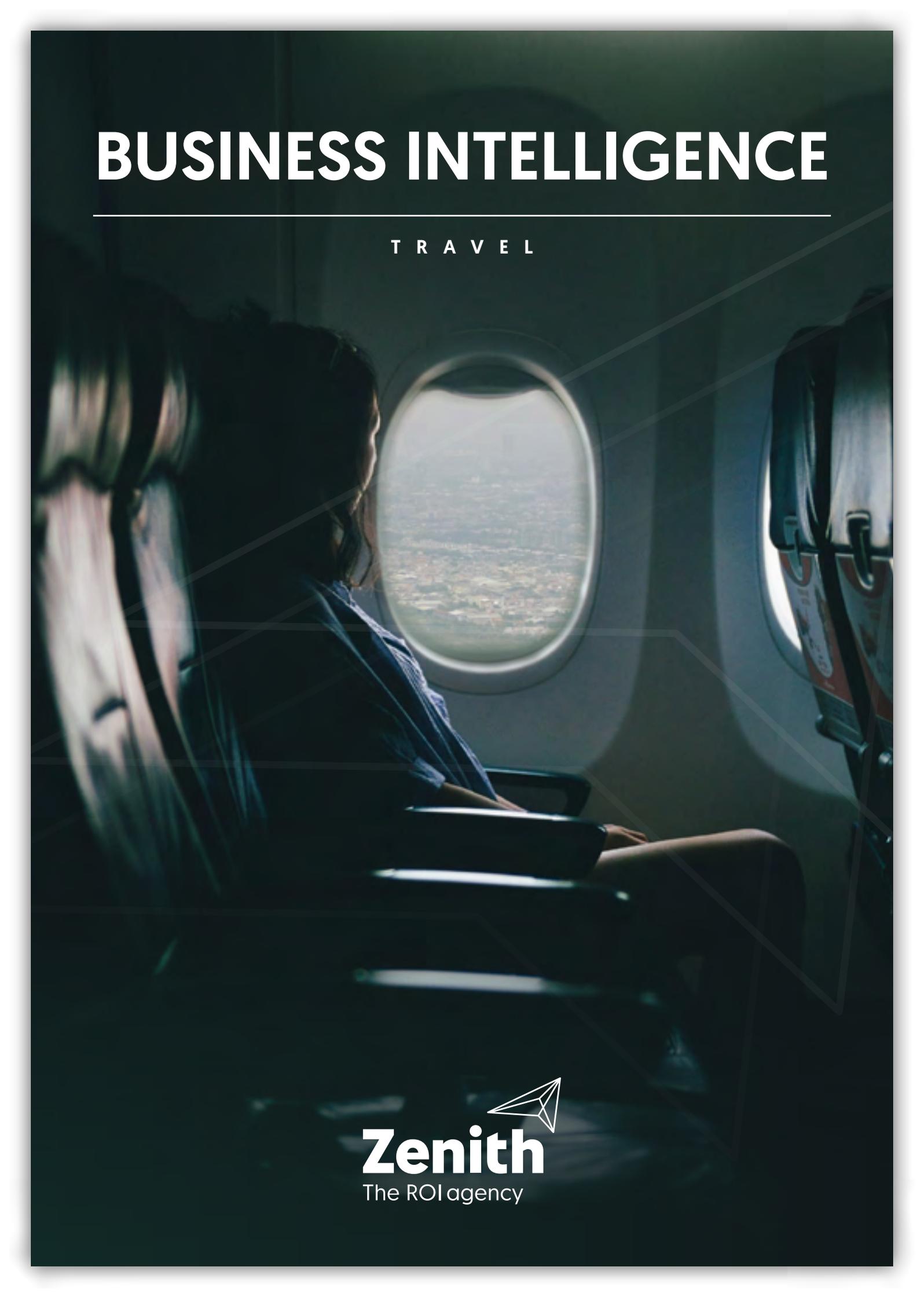


BUSINESS INTELLIGENCE

T R A V E L




Zenith
The ROI agency

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Introduction

Welcome to *Business Intelligence – Travel*, the ninth of Zenith's *Business Intelligence* reports, which analyse the advertising, business and consumer behaviour trends shaping different categories.

The travel industry has suffered profound disruption since the onset of the pandemic, probably more than any other industry in recent history. Although demand for travel is now recovering, changes in regulations, technology and consumer expectations will shape the development of the industry for years to come. The rise of video calls means airlines and hotels groups will have to rethink their business models to adapt to less business travel, often the mainstay of their profits. Consumers are demanding more sustainable travel, and spending more time holidaying in their home countries.

Measures introduced to control the pandemic have increased bureaucracy and expense of travel, giving travel brands the opportunity to strengthen their relationships with consumers by providing digital assistance to smooth their journeys. Travel brands already spend more of their budgets on digital advertising than other brands, but their digital expenditure will continue to grow as they aim to turn travel into an end-to-end digital experience, from research and discovery to navigating airports and the final destination.

Scope

This report covers the airline and accommodation/hotel industries, including both international and domestic. The thirteen markets it includes are Australia, Canada, China, France, Germany, India, Italy, Poland, Russia, Spain, Switzerland, UK and USA, which between them account for 74% of total global adspend.

TRAVEL ADSPEND FORECASTS



Travel adspend will grow two to six times faster than the ad market as a whole from 2021 to 2023



But the travel ad market won't return to pre-pandemic levels of spending until 2023



70%
ON DIGITAL

Travel brands spent 63% of their budgets on digital advertising in 2020, and will spend 70% in 2023

31%
GROWTH

India to lead recovery with 31% growth in travel adspend between 2019 and 2023

THE LONG AND WINDING ROAD TO RECOVERY

Travel advertising is poised for rapid growth as brands reset their relationships with consumers after the great rupture of 2020. We forecast travel advertising to expand by 24% in 2021, twice as fast as the advertising market as a whole, before 36% growth in 2022 and 19% growth in 2023.

Faced with the existential threat of the coronavirus pandemic, many brands delayed or denied refunds to customers as travel shut down in 2020, leaving these customers aggrieved and open to alternatives. These brands now have to rebuild trust, while their rivals have an opportunity to forge new relationships as consumers adapt to the realities of post-COVID travel.

Year-on-year growth in adspend [%] – 13 key markets

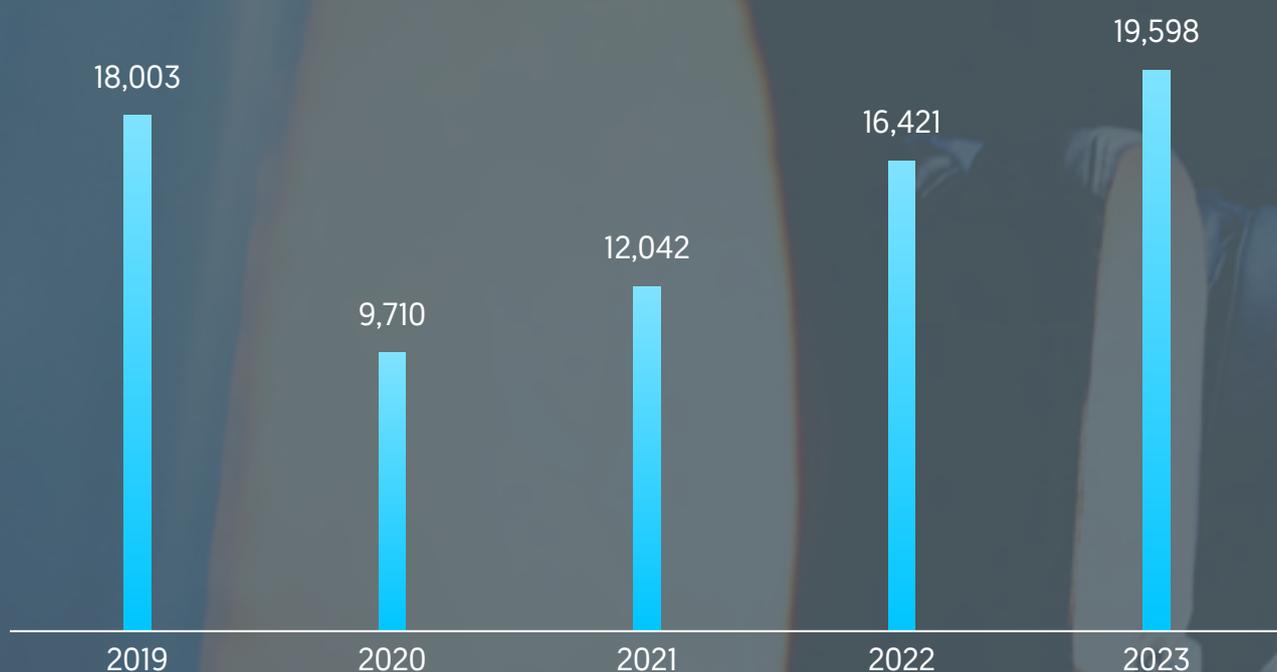


Source: Zenith

Brands will have to refocus their communications on different audiences as they adapt to the decline of business travel, now that companies know they can coordinate international business with remote meetings. Airline and hotel groups in particular will have to develop and market new services for consumers to mitigate the loss of business travellers, which for many of them provided the core of their profitability. Brands will also have to address consumers' concerns about the sustainability of travel, and adapt to shifting demand towards low-carbon journeys.

Travellers face a complicated regime of COVID tests, vaccine passports and form-filling, with different requirements for every country. Brands have the opportunity to reduce this friction by using their apps and platforms to organise all the necessary information and help their customers navigate each bureaucratic obstacle before, during and after their journeys. By integrating this support with tools for choosing and purchasing voyages, and concierge services for travellers when they arrive at their destination, brands can turn travel into a unified digital experience.

Total travel adspend (US\$ million) – 13 key markets



Source: Zenith

Travel advertising was one of the categories hardest-hit by COVID-19. The travel ad market lost nearly half its value in 2020 (46%), while the ad market as a whole shrank by just 4%. That's after two solid months of spending in January and February – key months for the industry in the northern hemisphere, when families start thinking of summer holidays after the winter break. The drop from March onwards was even sharper, as so many people were confined to their homes and local areas. We estimate that travel adspend fell from US\$18.0 billion in 2019 to US\$9.7 billion in 2020.

Many consumers spent lockdown dreaming of travel, and the number of trips taken has risen rapidly as restrictions have loosened. This pent-up demand will drive rapid growth in travel adspend over the next few years, but it will be a long road back to pre-pandemic spending. Travel adspend will be still 33% below its 2019 level this year, while the ad market as a whole will be 7% ahead. It will take until 2023 for travel to exceed 2019 levels of spending, which it will do by 9%. At this point the wider ad market will be up by 21% compared to 2019.



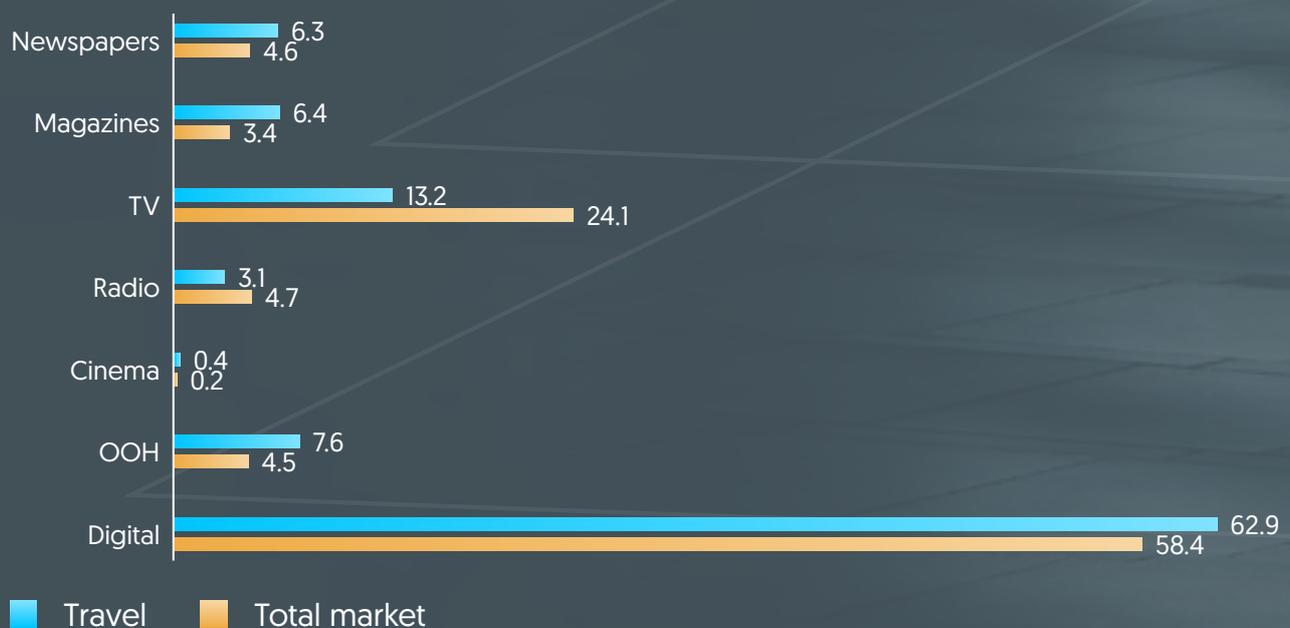
TRAVEL GOES DIGITAL

Travel advertisers spend more on digital advertising than the average brand – 63% in 2020, compared to 58% on average. This is not surprising for a category that has been well ahead of the market in digital transformation, conducting 32% of sales by ecommerce in 2021 compared to 20% for retail as a whole.

Digital travel advertising aims to capture consumers in the early stage of research, through search advertising and display and video ads within relevant content. Digital advertising will become

more important over time as the industry's digital transformation continues, rising from 63% of travel adspend in 2020 to 70% in 2023. Integrating travel apps with vaccine passports, and using them to help consumer navigate local COVID-related rules and hurdles, will accelerate the transition of travel towards a seamless digital experience, from initial research to enjoying the destination. This offers brands the potential to turn travel back into a curated experience, which consumers used to expect from travel agents, instead of the current pick-and-mix

Share of adspend by medium, 2020 (%) – 13 key markets



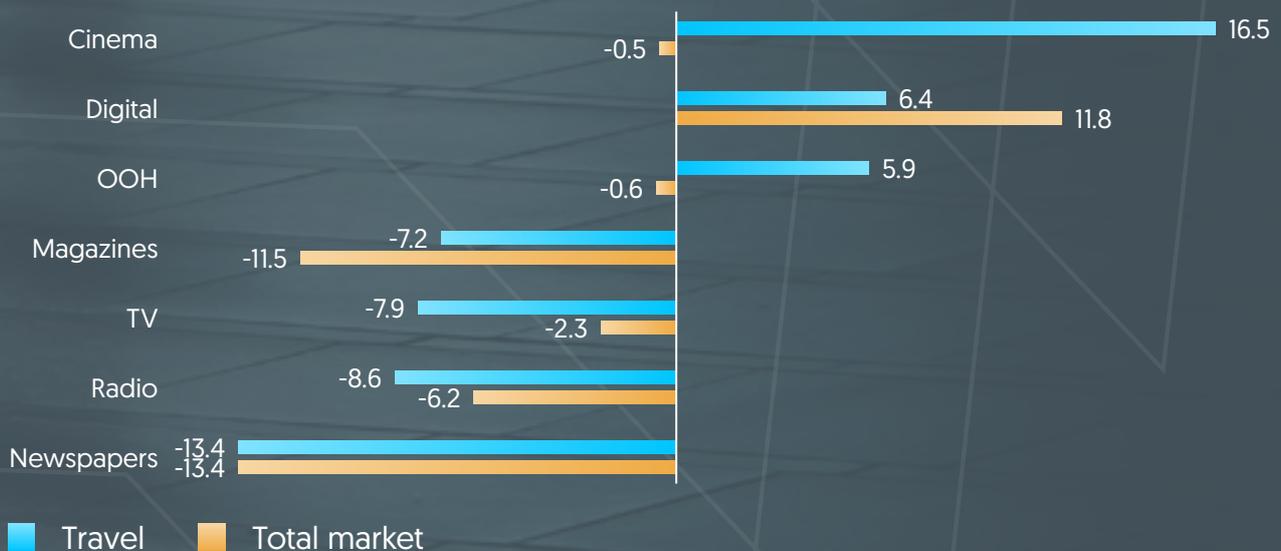
Source: Zenith

approach. This may lead to new partnerships between airlines and hotel groups, and an extended role for travel intermediaries. As travel becomes ever more digital, digital advertising will become even more important for both brand building and conversion. We forecast digital adspend by travel brands to grow by 6% a year between 2019 and 2023. Online video in particular will play a key role in creating the initial emotional connection with consumers, inviting them to take their first step on the digital journey.

Travel advertisers spend substantially more of their budgets on newspapers, magazines and out-of-home than average, and substantially less on television, with just 13% of travel adspend going

to television in 2020, compared to the average of 24%. Effective travel advertising in traditional media will get consumers thinking about holidays, and give them a starting point for their search, primarily a website or app. This works particularly well when consumers are in unstimulating environments like public transport, and when brands can display a range of options and prices – consumers are looking for choice and value. Print and out-of-home advertising on public transport are therefore especially effective. Travel adspend in print is falling as circulations continue to shrink, but we forecast out-of-home travel to recover from its slump in 2020 and grow at an average rate of 6% a year between 2019 and 2023.

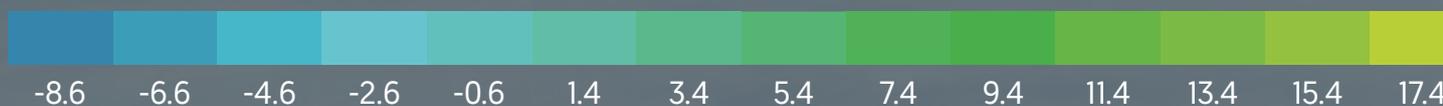
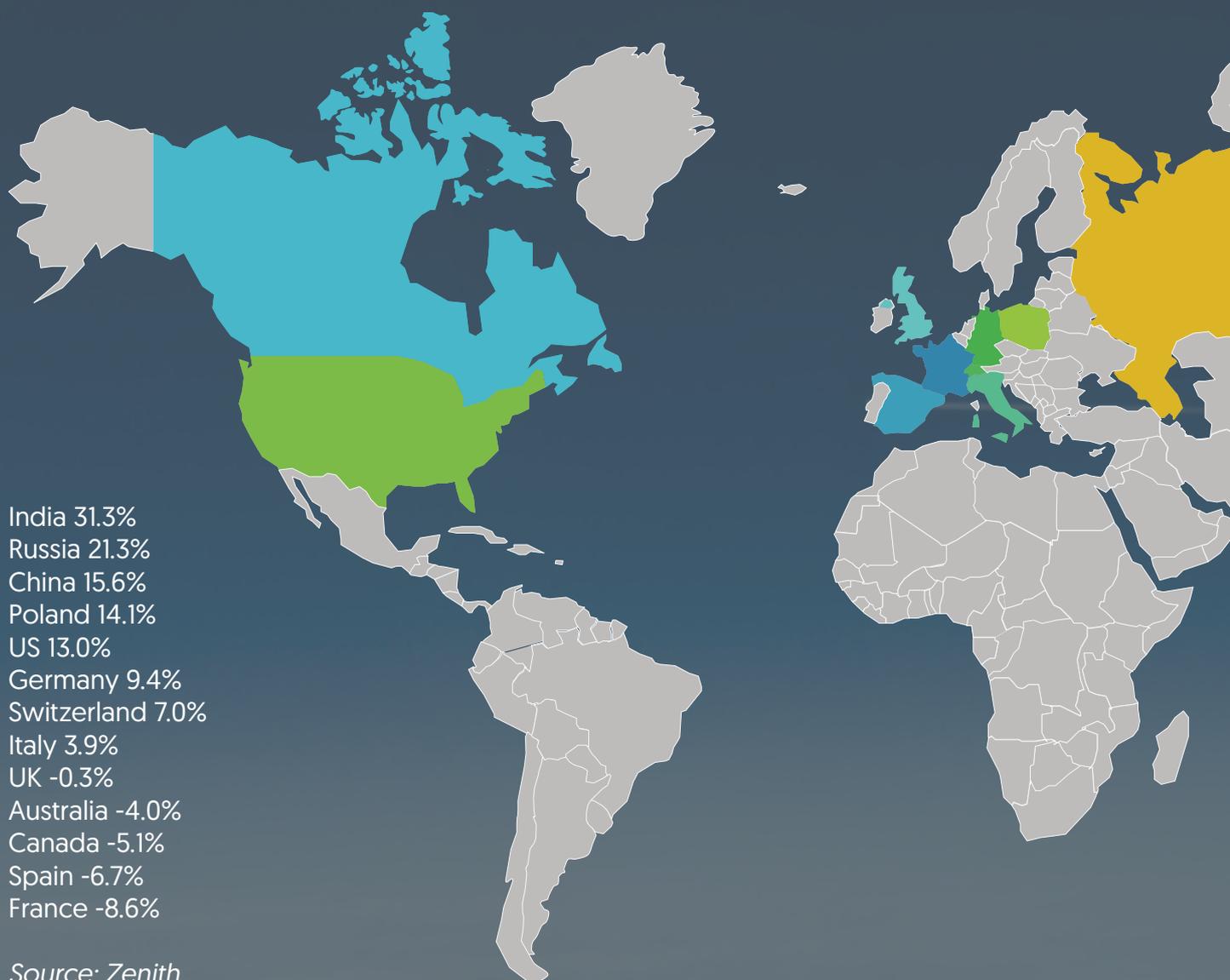
Average annual growth in adspend by medium 2019-2023 [%] – 13 key markets



Source: Zenith

BRANDS SEEK OUT NEW TRAVELLERS

Total change in travel adspend by key market 2019-2023 (%)





We expect the fastest growth in travel advertising to come from India and Russia, which will end 2023 31% and 21% above the 2019 baseline respectively. Here, rising disposable incomes mean more people are travelling, and existing travellers are travelling more frequently. The same holds true for China and Poland, where adspend will increase by 16% and 14% respectively between 2019 and 2023.

The robust US ad market is pushing up media prices, which is the main reason why travel adspend will be 13% higher there in 2023 and in 2019. Other mature markets will range from +9% to -9% growth over this period, depending on consumer demand, media inflation, adoption of digital technology, and a myriad of other reasons. In all markets, though, the recovery of travel advertising from the 2019 baseline will be well behind the growth of the market as a whole.

TRAVEL CATEGORY GROWTH

51%↓
IN 2020



Travel spending fell 51% in 2020, and won't return to pre-pandemic levels until 2023

Airlines and hotels need new business models as companies swap business class for video calls



Growth depends on making travel a digital experience



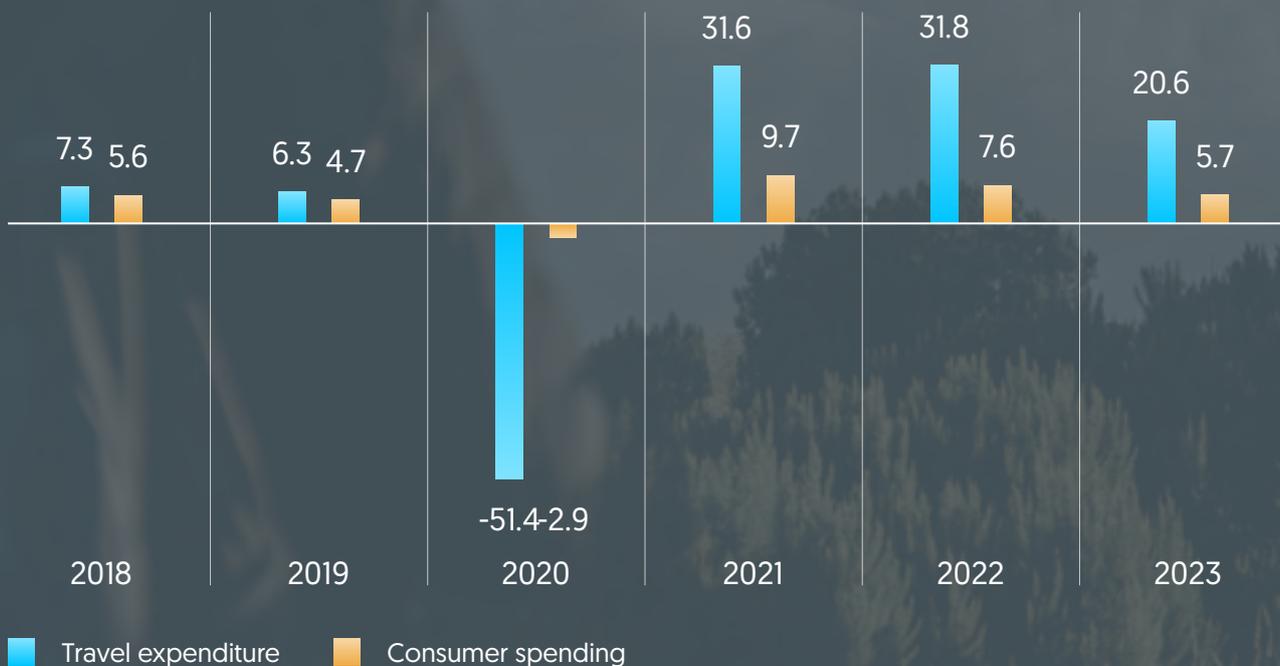
Demand for sustainability will reshape the industry

ENTERING UNCHARTED WATERS

After the great disruption caused by the coronavirus pandemic, the travel industry faces a highly uncertain future – perhaps more uncertain than any other category in modern history. After grinding almost to a halt in the second quarter 2020, consumer and business travel has since started to recover in fits and starts, but it remains far from clear how much demand for business travel will return now that companies have found they can replace internal and external meetings with video calls. The willingness with which

consumers have embraced the limited travel opportunities available to them bodes well for long-term demand for consumer travel, especially given the extra expense and bureaucracy of navigating COVID regulations. But their heightened awareness of health concerns and raised awareness of the need for sustainability will change the types of holiday they choose. Patterns of demand for different modes of transport, travel destinations, types of lodging and relationships with travel companies will all be in flux.

Year-on-year growth – 13 key markets (%)



Source: Euromonitor International

So while this report presents forecasts of how the travel industry will develop over the next few years, these must be read as central expectations with wide margins of uncertainty around them. This uncertainty is also an opportunity for the industry. At a time when the old rules no longer apply, travel companies will have to rebuild the industry from the ground up, introducing new business models and relationships with travellers. The future of travel will be shaped now.

Travel was one of the categories most affected by the pandemic in 2020, unsurprisingly for a year when much of the population was confined to their homes for prolonged periods. Spending on travel dropped by more than

half, from US\$3.3 billion in 2019 to US\$1.6 billion in 2020 – eighteen times faster than the 3% drop in consumer spending.

While some consumers are still worried about flights and mingling with strangers, others are chafing at restrictions and embrace whatever travel opportunities are open to them. There is clearly a lot of pent-up demand for travel. As time goes on, and infections come under control, consumers will progressively move from the first group to the second. Business travel is also resuming, but much more tentatively. While travel expenditure is recovering from its much-reduced base, and is forecast to continue to do so for the next few years, it won't return to 2019 levels until 2023.

Travel expenditure (US\$ billion) – 13 key markets



Source: Euromonitor International

NO MORE BUSINESS AS USUAL



Business travel was the backbone of much of the pre-pandemic travel industry. Business travellers represented 10% of passengers across the major airlines, but accounted for 55%-75% of their profits. Corporate travellers were also the main source of revenues for many city-based hotel chains*. Any long-term decline in business travel will therefore require travel groups to restructure their operations.

Airlines will have to adapt their routes and fleets to the shift in demand from business to consumer travel, with more long-haul travel to holiday destinations on high-capacity planes, and fewer short-haul trips between business hubs on smaller craft. They will also need to decide what to do with unusual space in business cabins. The options here range from leaving the space unchanged and selling it to consumers at lower price points, through reconfiguring the cabins to be more welcoming to families and friends travelling together, to converting them to premium economy or even economy seating. All of these options will involve a much lower yield per unit area, so will require reductions in services provided to maintain margins.

Hotel groups will reassess their portfolio of properties, shifting investment from business hubs to

tourist cities and resorts. This will interact with another consequence of the pandemic, the rise of remote and flexible working. With modern communication tools reducing the need for face-to-face interaction in many industries, employees are benefiting from reduced commuting time, while companies take the opportunity to reduce their floor space and rental costs. The demand for commercial property in city centres is therefore falling at the same time as demand for business accommodation. Meanwhile the price of residential property is soaring to record levels. Planning or zoning regulations will make the obvious solution of converting hotels and offices to homes expensive and protracted, but hotel groups have the potential to offer longer-term accommodation in their existing properties. The Airbnb model, which allows owners to switch between offering short breaks and long-term lets as demand fluctuates, may also become more common.

All types of travel companies will have to experiment with new services and different pricing models as they adapt to the new patterns of demand.

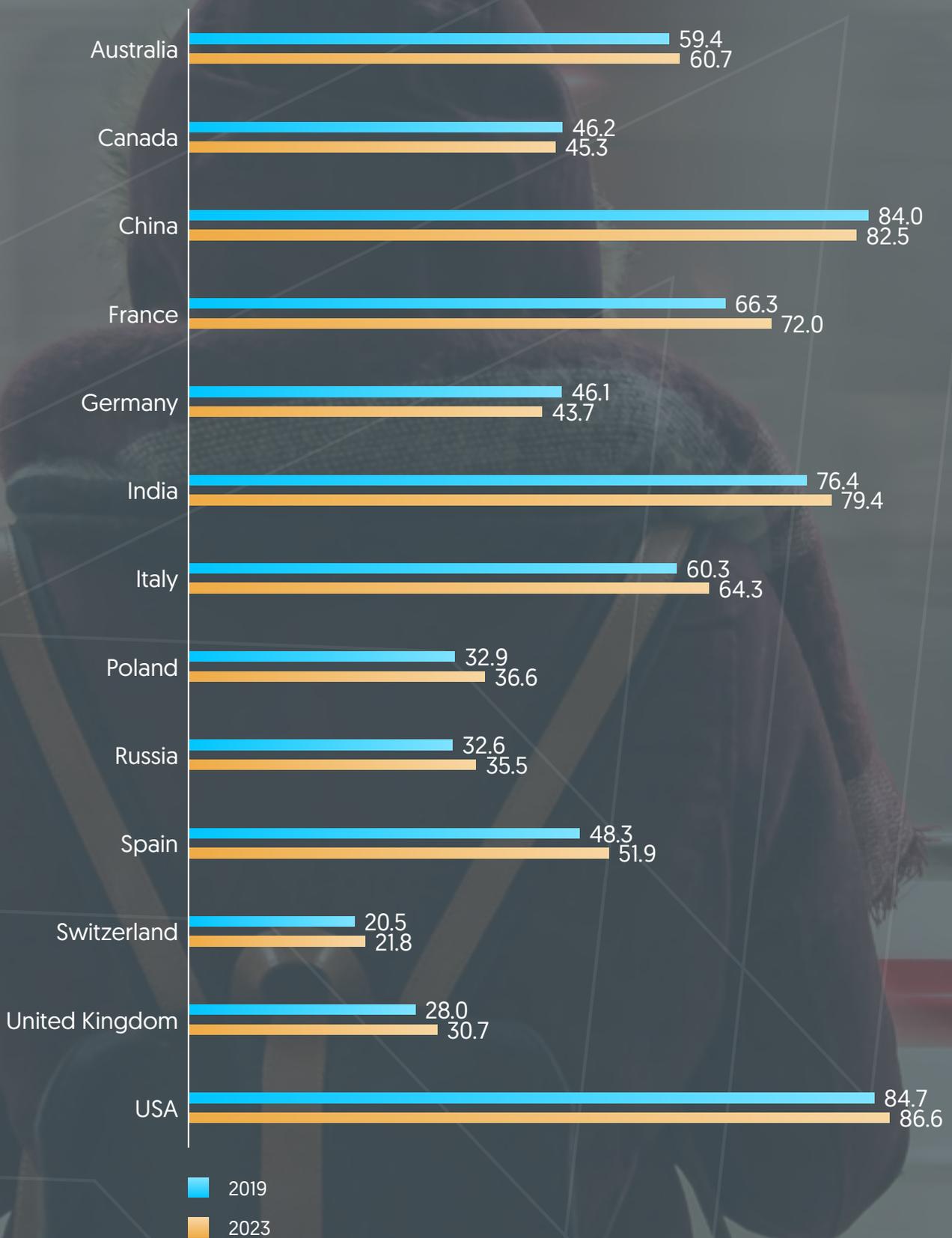
**Source: New York Times, 'Best Guess on When Business Travel Will Recover? It Could be Years', 13 July 2020*

HOME COMFORTS AND GREEN JOURNEYS

There is huge variation in consumer preferences for domestic and outbound travel between markets. The two largest markets – China and the US – are the most domestic, owing to their huge territories and varying climates, and, for China, historic restrictions on travel. Europeans are much more likely to travel internationally, particularly from Poland, Russia, Switzerland and the UK, where domestic travel accounted for less than a third of travel expenditure in 2019.

In almost all markets, travel will be more domestic in 2023 than it was in 2019. The difference will be particularly marked in countries that have historically been most keen on foreign travel: the share of domestic travel in Poland, Russia, Switzerland and the UK will be three percentage points higher on average in 2023 than in 2019. That's partly because, barred from travelling abroad during the pandemic, travellers have found domestic holidays more rewarding than they expected, and will be more likely to take them in future. But it also reflects consumers' rising awareness of the environmental costs of travel, as detailed in the Consumer Research section of this report. As well as boosting demand for domestic travel, these concerns will also reshape foreign travel, with consumers opting for shorter journeys, or deciding to visit fewer places for longer periods. Government-imposed initiatives to make carbon-emitting activities like air travel more costly will only add to the pressure for the travel industry to become more efficient and sustainable.

Domestic share of total travel expenditure (%)



Source: Euromonitor International

DISTANT TRAVELLERS NEED DIGITAL ASSISTANTS

Across our 13 markets, most travel was domestic even before the pandemic, as opposed to outbound. Outbound expenditure then thoroughly collapsed in 2020, shrinking by 75%, while the decline in domestic expenditure was limited to 43%. Outbound travel is forecast to recover at much higher percentage growth rates than domestic travel over the next few years, but will still be 4% behind 2019 levels in 2023, while domestic will be 3% ahead.

The recovery in foreign travel will depend on reducing the friction of measures introduced to curb the pandemic. Ever-shifting travel restrictions, quarantines, requirements for COVID testing, proof of vaccination, and extensive documentation all add greatly to difficulty and expense of arranging a trip abroad. These are not going to go away any time soon. To boost demand, travel companies will have to organise all the information consumers need to travel, and coordinate it with all the relevant authorities. Airlines in particular have made headway here by integrating some of the necessary information with their apps, but all travel companies have an opportunity here to turn travel into an end-to-end digital experience. By using their digital platforms to smooth consumers through research, purchase, travel and navigating their destination, travel groups can build closer and longer-lasting relationships with their customers.



Travel has a head-start over most industries in transforming into a digital-led experience. 29% of travel sales were made digitally in 2019, compared to 15% for all retail sales. The rise of travel ecommerce

stalled in 2020 as the industry was thoroughly disrupted, but travel companies have the experience and the incentives to lead the way in digital transformation in the years to come.

Travel expenditure (US\$ billion) – 13 key markets



Source: Euromonitor International

Ecommerce share of retail sales (%)



Source: Euromonitor International

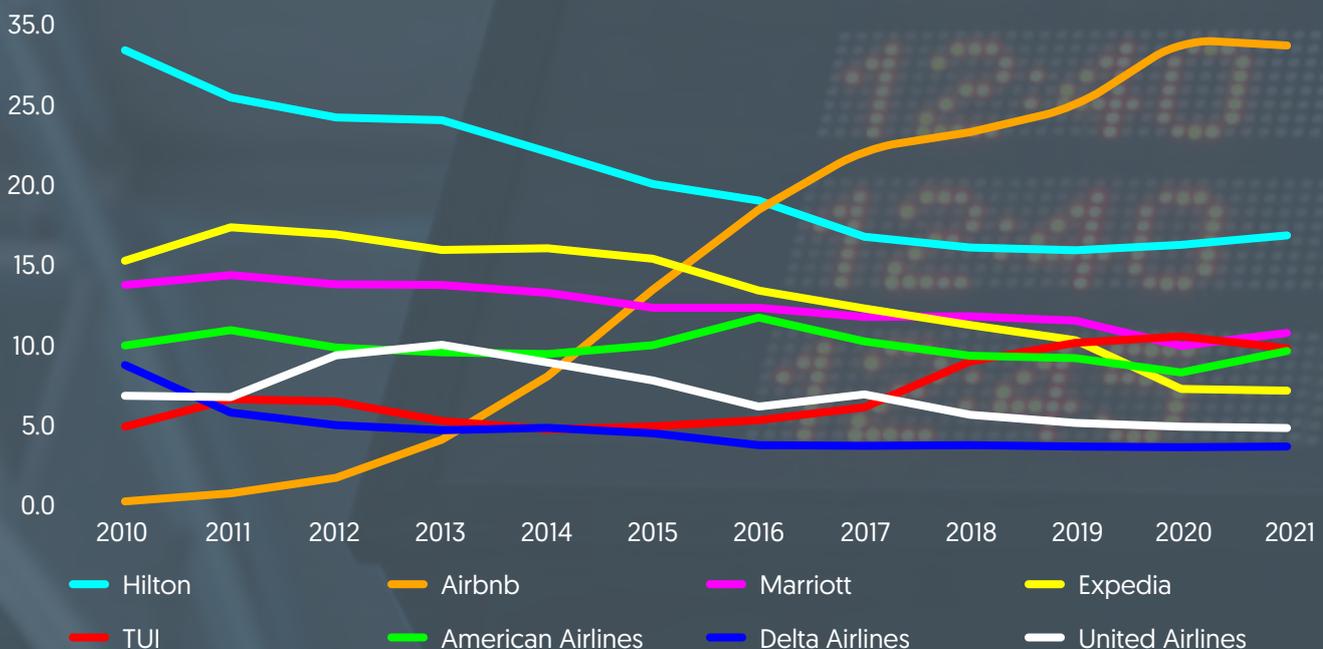
DIGITAL TRAVEL SCALES UP

Ecommerce has powered the growth of travel intermediaries, which allow consumers to search, compare and coordinate flights, lodging and other travel services. Historically this was the job of human travel agents, but of course intermediation is now dominated by digital platforms. These have consolidated rapidly in recent years. Most of their expenditure, such as investment in technology and data, is on fixed costs, so extra scale leads directly to extra returns. Airlines and lodging groups, which have to physically transport or accommodate extra customers,

have a more linear relationship between sales and profits, and so have not scaled up so rapidly. Each of the big three travel intermediaries – Trip.com, Booking Holding and Expedia – are now about as large as the largest airline and lodging group put together, having collectively doubled in size between 2015 and 2019.

Ecommerce has also greatly increased the importance of discoverability and branding. Search is the first step in the digital journey, and companies that connect with consumers the fastest

Share of global search for key travel companies (%)



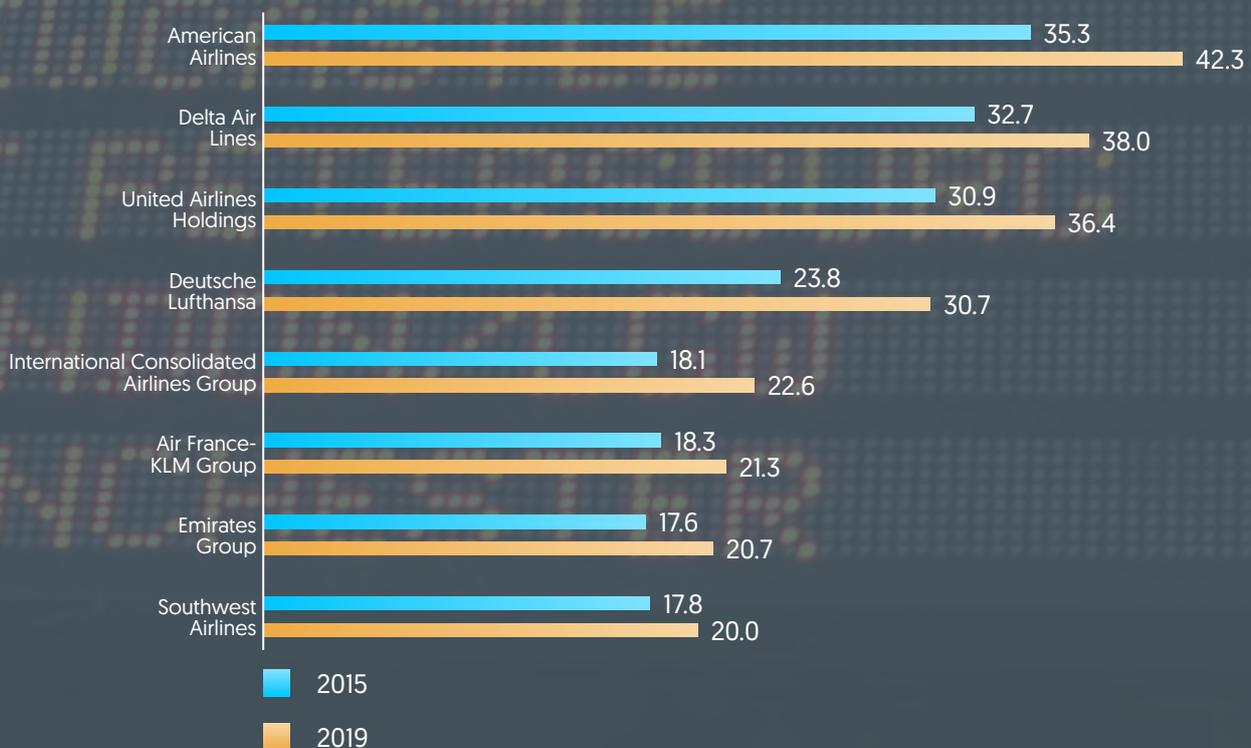
Source: Croft Analytics/Google Trends

at this stage have a head-start in converting them. Since 2010, Airbnb has grown from nothing to the most-searched-for brand among key global travel companies by some distance. This has contributed to its rapid climb up the rankings of the largest travel companies. Between 2015 and 2019, Airbnb rose from the eighth to third-largest lodgings group, and from the twelfth to fifth-largest intermediary.

Now the shape of the travel industry is up for grabs and the successful companies will be those that adapt fastest to the new reality of travel: A potentially

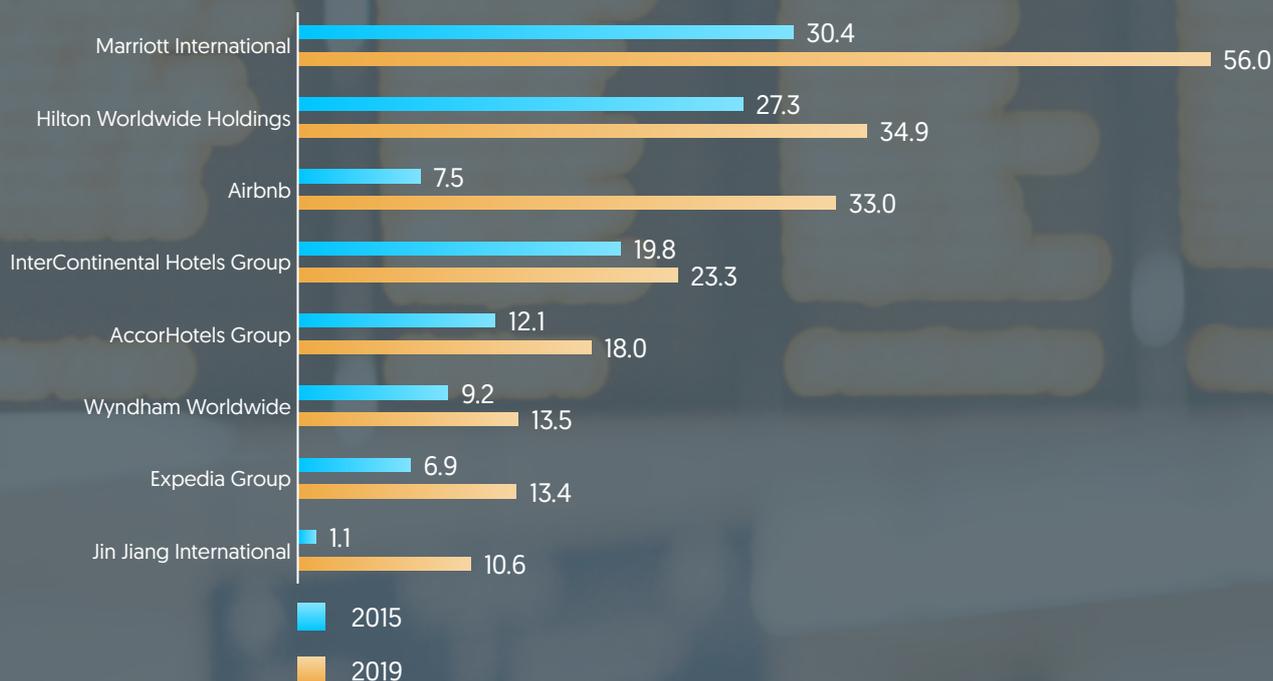
permanent reduction in demand for business travel, the need to reduce carbon emissions and the demand for digital assistance in navigating the barriers to travel. This will mean more partnerships across the different types of travel companies – airlines, lodging groups and intermediaries – as well as consolidation within them. These companies will be best positioned for growth by capturing the attention of consumers early in the research phase and by using proprietary digital technology that matches them effectively with their ideal destination and guides them smoothly through their journey.

Retail values of flights by the top eight airlines [US\$ billion] – global



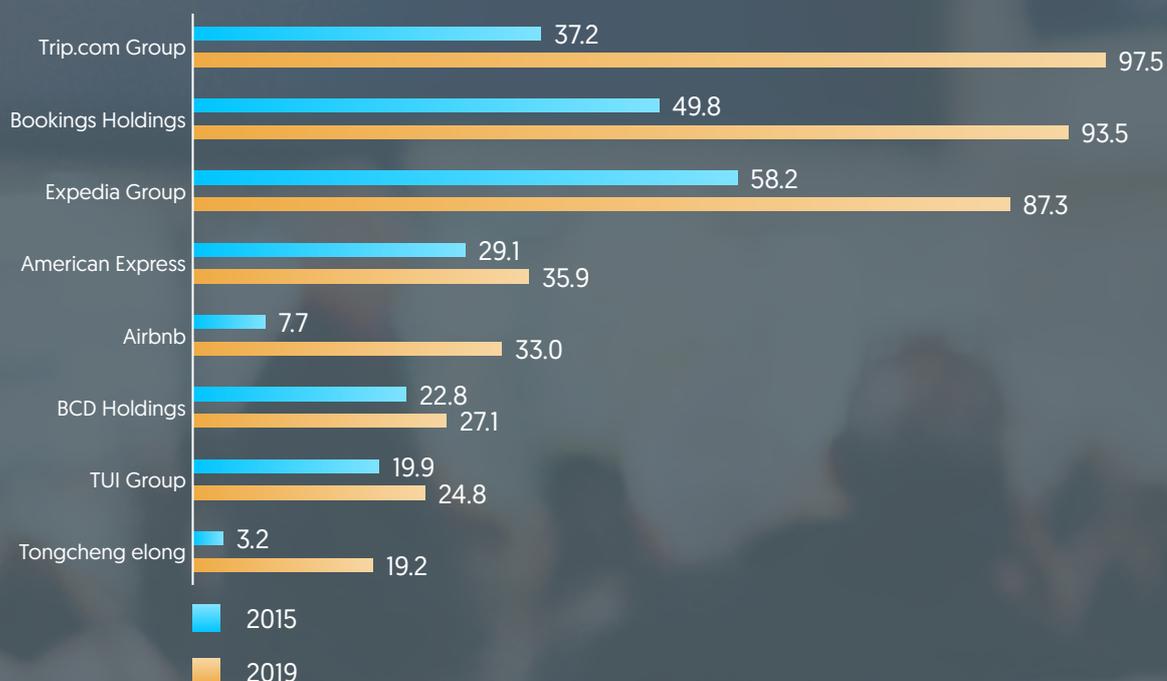
Source: Euromonitor International

Retail values of accommodation by the top eight lodging groups (US\$ billion) – global



Source: Euromonitor International

Retail values of trips booked by the top travel intermediaries (US\$ billion) – global



Source: Euromonitor International



TRAVEL CONSUMER INSIGHTS



**Recovery varied as markets
respond differently to the
health crisis**



**Consumer experience of the
pandemic will dictate their
willingness to travel**



Brand sustainability credentials are more important than ever



Need for digital and technology solutions across the category to improve the customer experience

DIFFERING GOVERNMENT RESPONSES AND RESTRICTIONS WILL CONTINUE TO AFFECT CATEGORY RECOVERY IN THE SHORT TERM

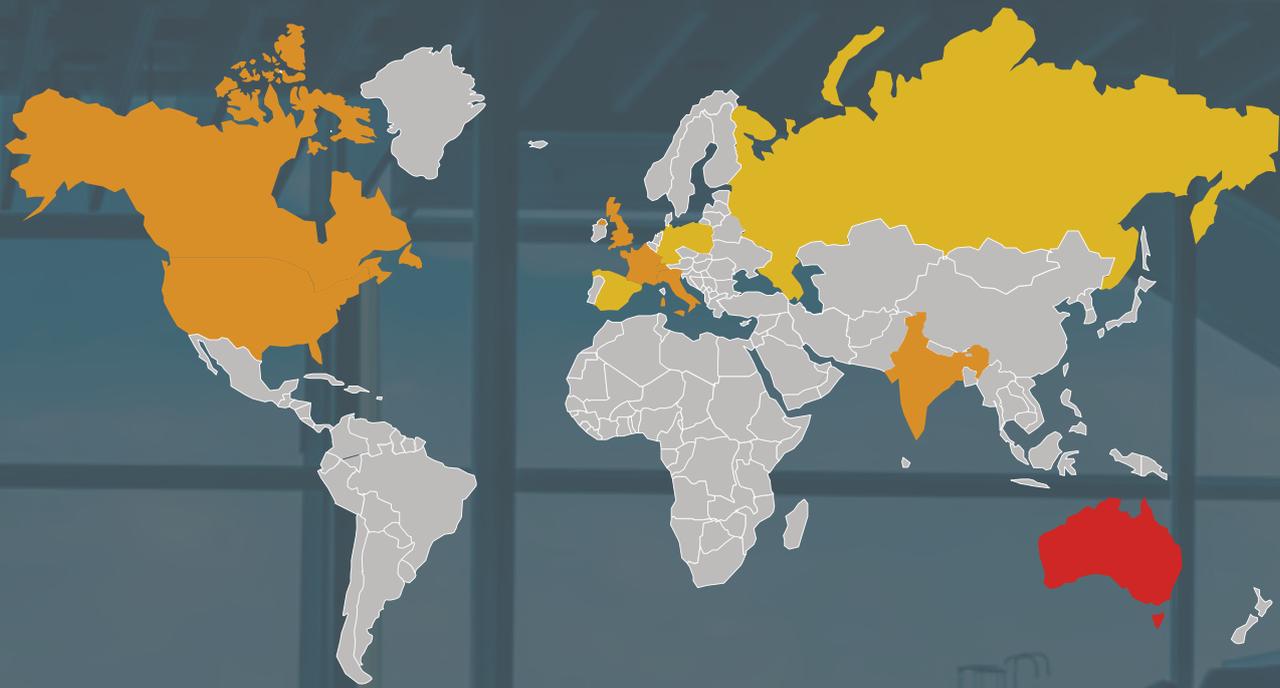
Travel has been one of the sectors most affected by the global pandemic and its resulting impact on the world. As concern grew and in order to contain the spread of the virus, governments around the world were swift to close borders and order restrictions on movement. For long stretches of 2020 and 2021, flights were grounded and stay-at-home measures enforced.

However, the ongoing level and length of restrictions are markedly different by market. Some, such as Australia, have employed strict border controls from the outset, experienced a low number of cases throughout, and have been slower with their vaccine roll-out. As of 01 October 2021, they are still imposing a total border closure. Other markets have lived with higher cases, have been quicker to vaccinate and are now opening up to certain countries and/or only restricting or imposing quarantine measures on high-risk regions. Travel between countries with widely different responses is

challenging, particularly with the lack of consensus regarding health passports and what is accepted.

In the short-term, then, domestic travel or intra-regional travel is likely to be preferable for consumers. In larger countries like the US and China, the size and scope of the country provides a great number of destination options within their own borders, and the option to travel by car. In Europe, EU member states employed a common approach to the virus and vaccination, including the EU Digital COVID Certificate Regulation for proof of health status.

Given the often short distance between countries, and the option to avoid air travel, intra-regional travel will be quicker to resume there. In the short term, while international travel remains logistically challenging, travel brands should continue to target and focus their messaging on domestic or intra-regional travellers.



QUARANTINE ARRIVALS FROM HIGH-RISK REGIONS:

- Germany
- Poland
- Russia
- Spain

BAN ON HIGH-RISK REGIONS:

- Canada
- France
- India
- Italy
- Switzerland
- UK
- USA

TOTAL BORDER CLOSURE:

- Australia

Source: ourworldindata.org – international travel controls – 01 October 2021

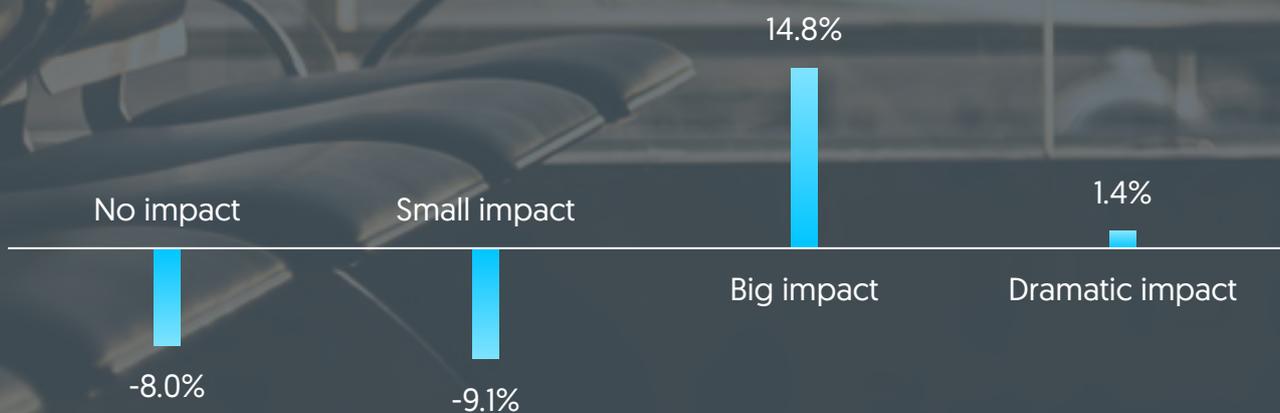
DIFFERENT PANDEMIC EXPERIENCE, BUT CONSUMERS SHARE CONCERNS WITH RETURNING TO TRAVEL

Countries did not respond to the pandemic in the same way, and so the experience of consumers within those countries was also not the same. For example, risk aversion between those markets with a 'zero COVID' response, compared to those with a 'live with the virus' response will understandably vary. But there is also disparity in experience within individual countries.

The financial impact, in particular, has been very different. Higher-income groups have largely been

less affected, due to maintaining employment in roles that were more able to pivot to remote working during the lockdown. Lower-income groups however faced greater job uncertainty and are more likely to have struggled with job losses or reduced income. The GWI Zeitgeist in June 2021 shows that 51% of low-income consumers in the 13 markets described the pandemic as having a big impact on their finances, which is 15% more than high-income consumers.

COVID-19 Impact on Finances – Difference in Low vs. High Income



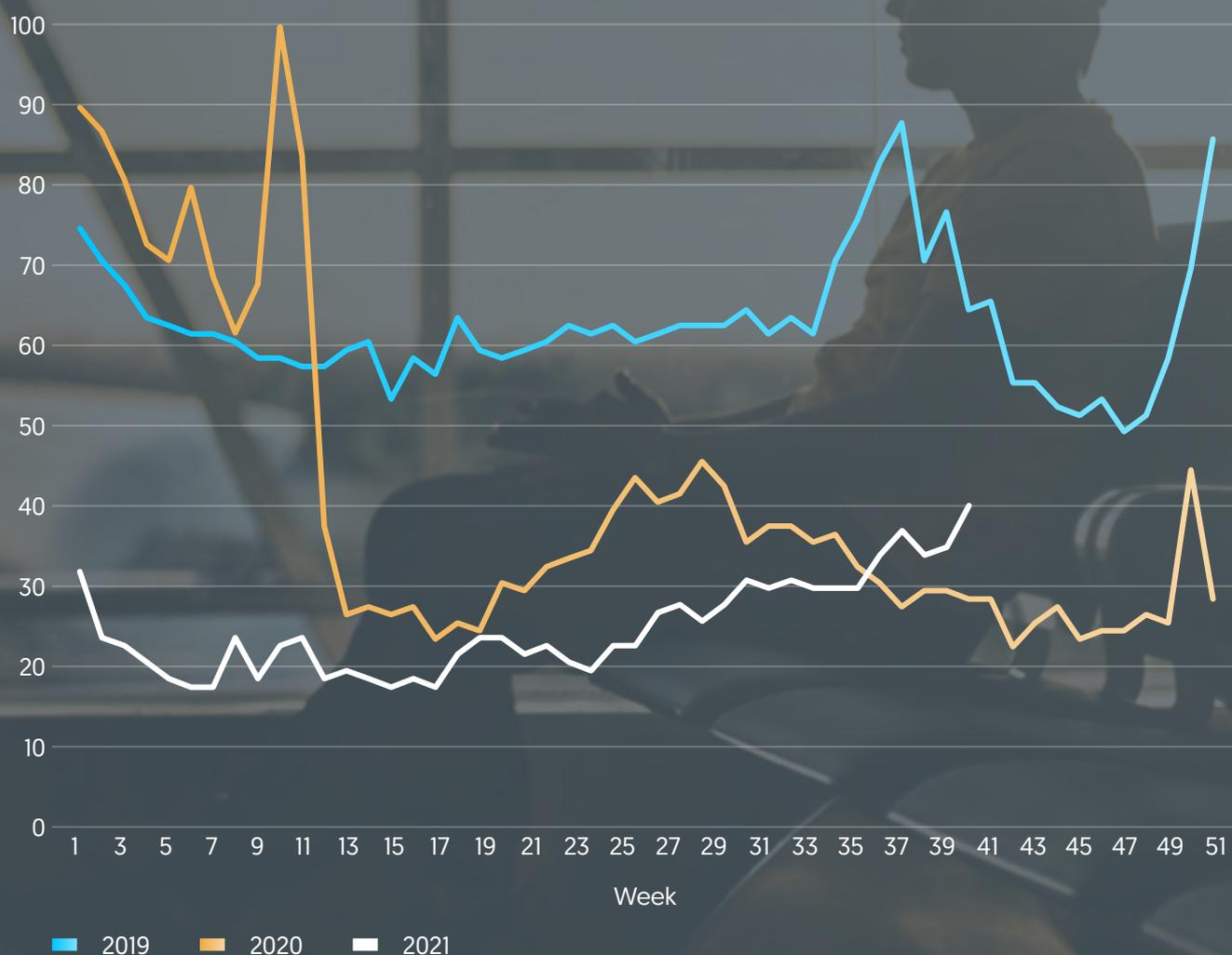
Source: GWI Zeitgeist June 2021 – 13 Markets

There is discrepancy, therefore, between those that have accumulated savings during the restrictions and those that are struggling more financially. Price and budget are still important considerations and given that according to a Holiday Barometer study published by Ipsos; Europ Assistance in June 2021, the average budget for a vacation is between €1,256 in Spain to €2,473 in

Switzerland, it will be more realistic for some consumers than others.

Whilst different groups will return to travel at different times, it is already clear that the demand for travel has started returning. In the UK for example, according to Google Trends data, searches for flights have been steadily increasing in 2021 as restrictions have been lessened or lifted.

Google search trends for “flights” in the UK



Source: Google Trends “Flights” Jan 2019-Oct 2021

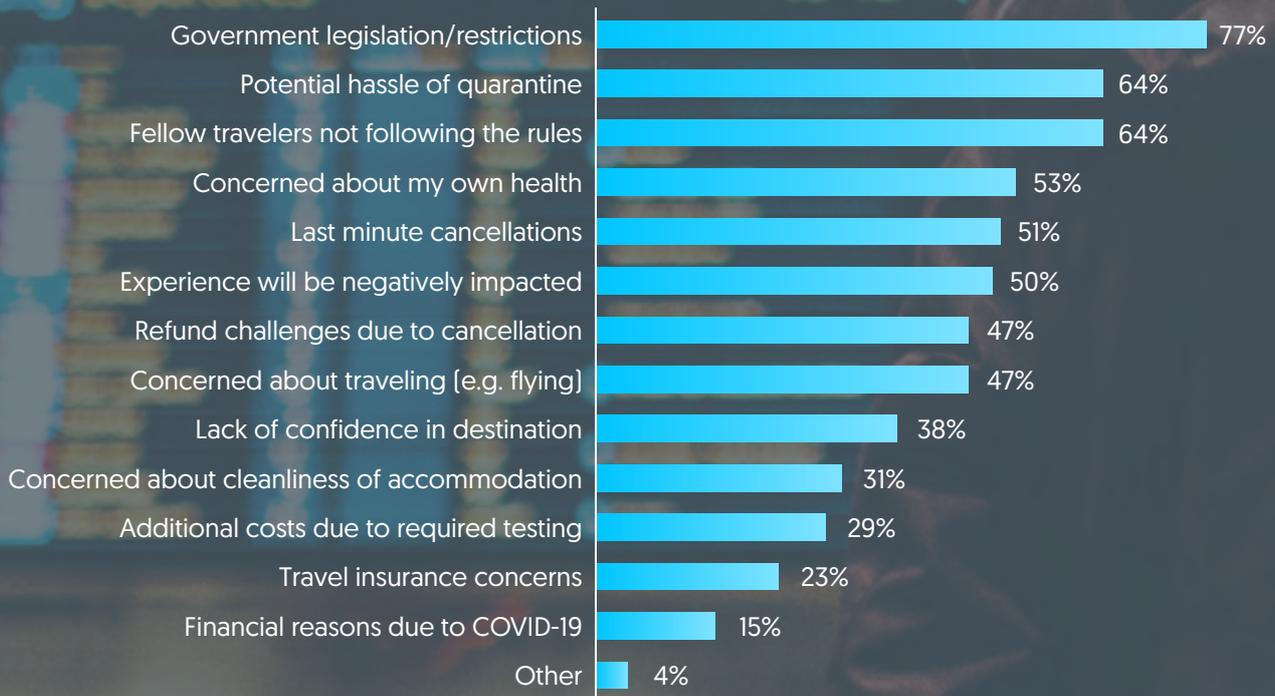
For those looking to travel, there are many similarities in attitude, as to what the biggest barriers are. According to CoStar; STR Global these are government restrictions, other travellers, health, and the uncertainty around cancellations and refunds.

With so much doubt in terms of new outbreaks or government conditions or restrictions, brands that offer flexible terms and free

cancellation will be appreciated more by consumers.

Similarly, anything that can help ease and simplify the process of booking with regard to accepted tests, proof of vaccination, and any other prerequisites for travel. Brands need to help and support here and rebuild the trust that was shaken at the onset of the pandemic after many providers failed to support or communicate adequately at the start of the restrictions.

Travellers' leading barriers to travel worldwide as of March 2021



Source: CoStar; STR Global

Unsurprisingly, health and hygiene also have increased in importance in light of the global health pandemic and this will be another big barrier or concern when travelling. The Hartman Group found that 54% of U.S. adults indicated that they have become more concerned about their family's health and safety as of 2021, while 31% stated that they have become more interested in learning about health. Brands need

to be upfront about their cleaning and hygiene practices and how these have been changed or enhanced to safeguard travellers. Particularly cautious travellers may start to choose to travel at quieter times or to destinations that limit their exposure to other travellers.

Changes in health and wellness views among US adults in 2021



Source: The Hartman Group

In addition to physical health, the pandemic has also highlighted the importance of mental health. According to a survey conducted in April 2021 published by IPSOS, around 72% of respondents were negatively affected by the pandemic in terms of their psychological health.

The pandemic caused increased reports of feeling anxious, stressed, having trouble sleeping and trouble concentrating. This may influence the types of travel, destinations or attractions travellers wish to visit or partake in. Consumers may wish to involve outdoor or nature pursuits in their trips or choose spa, wellness or yoga retreats. Or simply enjoy slower-paced holidays that involve staying longer in one destination rather than moving around. According to booking.com the use of endorsements such as nature, hiking and relaxation have

increased on their site since the start of the pandemic, and more than half of travellers stated a preference for a relaxing trip.

The post-COVID traveller will be different, in terms of both their needs and their expectations. As demand slowly returns, travel brands need to target those showing early interest in travelling again with content to inspire and entice. They should resist the temptation to increase prices, and make sure that with any booking there is flexibility to change or adjust with changes in health or circumstance. With increased awareness and concern regarding health, consumers will expect more guidance and support with booking and requirements for travel, and brands need to be up-to-date on the requirements themselves, and clear in their communication and messaging.

COVID-19 pandemic impact on life aspects in G7 countries 2021, by country



Source: IPSOS



CONSUMERS LOOKING FOR TRAVEL BRANDS TO STRENGTHEN THEIR SUSTAINABILITY INITIATIVES

Across all categories, consumers are now expecting brands to consider and be more transparent in their environmental practices, and travel is no exception. Inspired by the demonstrable positive effect lockdown had on the world's natural landscapes and concerned by the increase in natural disasters such as flooding and wildfires, travellers are becoming more aware and more demanding. A booking.com study in 2021 shows that 83% of global travellers believe in the importance of green travel, and an 8% increase vs. 2019 in travellers' intention to use green lodging in the next year.

Consumers, particularly those in the younger generations for whom the climate emergency is particularly pertinent, will increasingly look to use sustainability-friendly brands. It will become the expectation that airlines and travel brands provide information on their carbon footprint, what steps they are taking toward carbon-neutral travel and even provide options for offsetting their trips. According to a Publicis Sapient survey, 48% of respondents would be willing to pay an additional fee when booking their flight to purchase a carbon offset credit. Similarly, off-season travel will likely increase, with consumers

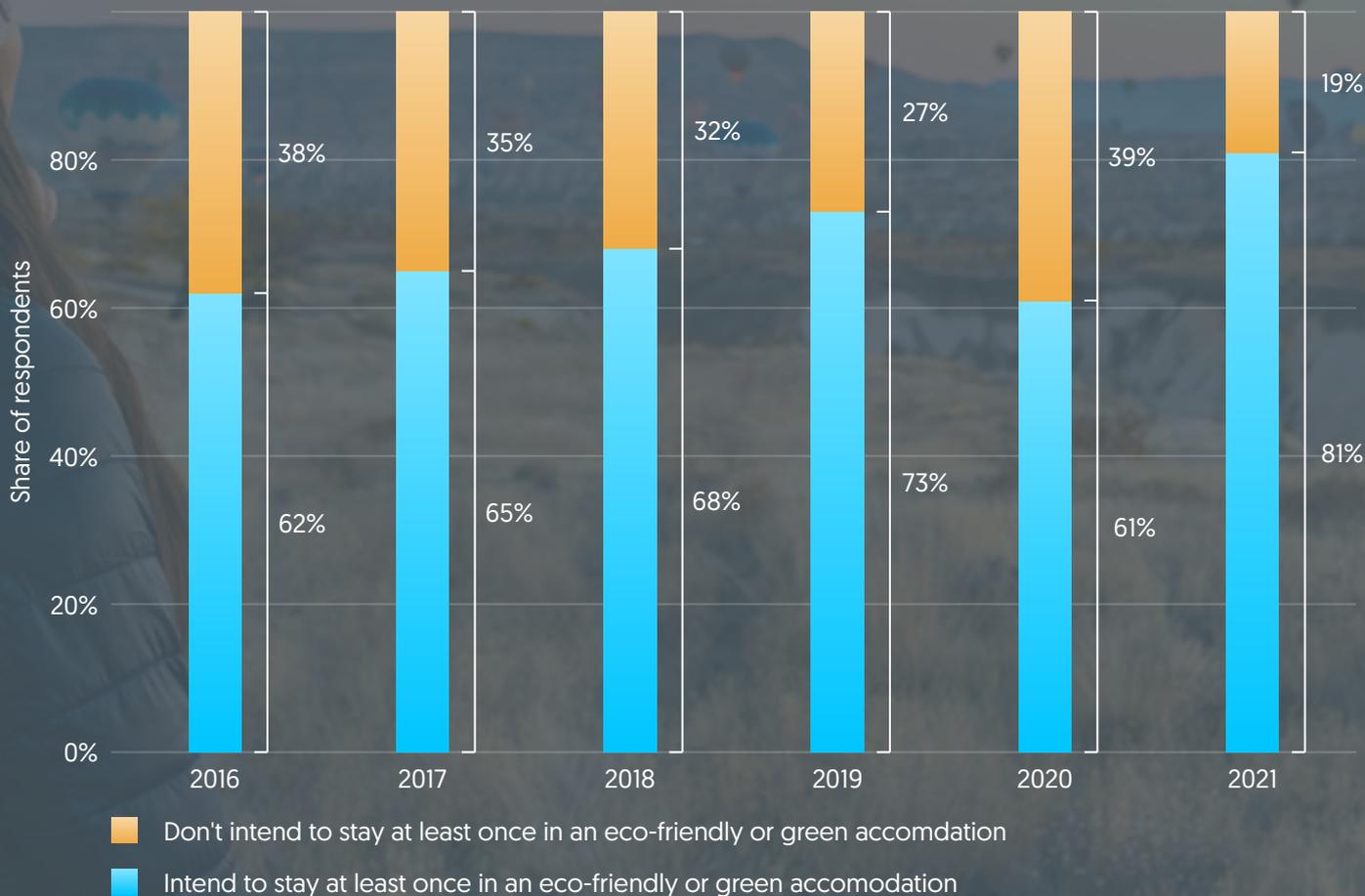


looking for less busy, less crowded and/or alternative 'less-travelled' destinations.

For travel brands, this is an opportunity for meaningful change. Governments across the world are backing climate action and promoting less carbon intensive travel and brands will need to adopt and invest in new technologies and practices in order to help reduce the

industry contribution to emissions. Consumers want to spend, engage and connect with brands that are transparent about their own practices, but also those that empower them with their own efforts and offer them ways in which to reduce or counter it. With changes in preference of destinations and timings, brands need to review and extend the products they offer and adjust to offer new experiences.

Share of global travellers that want to use green lodging in the next year 2016-2021



Source: Booking.com

TECHNOLOGY AND DIGITAL INNOVATION WILL BE VITAL TO CATEGORY RECOVERY

As the pandemic accelerated sustainability attitudes, so too did it highlight the need for digital transformation. Much of what travellers now expect or will expect from the category will be driven by advances in or adoption of new technologies.

The travel category is in a better position than many other sectors, given that many tourism and travel sales worldwide were already made online, prior to the pandemic. According to Statista Mobility Market Outlook, in 2016 60% of sales were made online and this has been increasing steadily since. They expect it will reach 72% by 2025. These sales are a reflection of the rise in online travel companies and agents, and consumer willingness to book online themselves. In July 2020, dunnhumby Beyond found that across all ages in the UK, including older generations, 60% of consumers were booking their travel online themselves.

Given the large and growing number of consumers booking online, data analytics will be critical to learning about new travel behaviours and signals in order to adapt product offerings, adjust prices and provide additional support

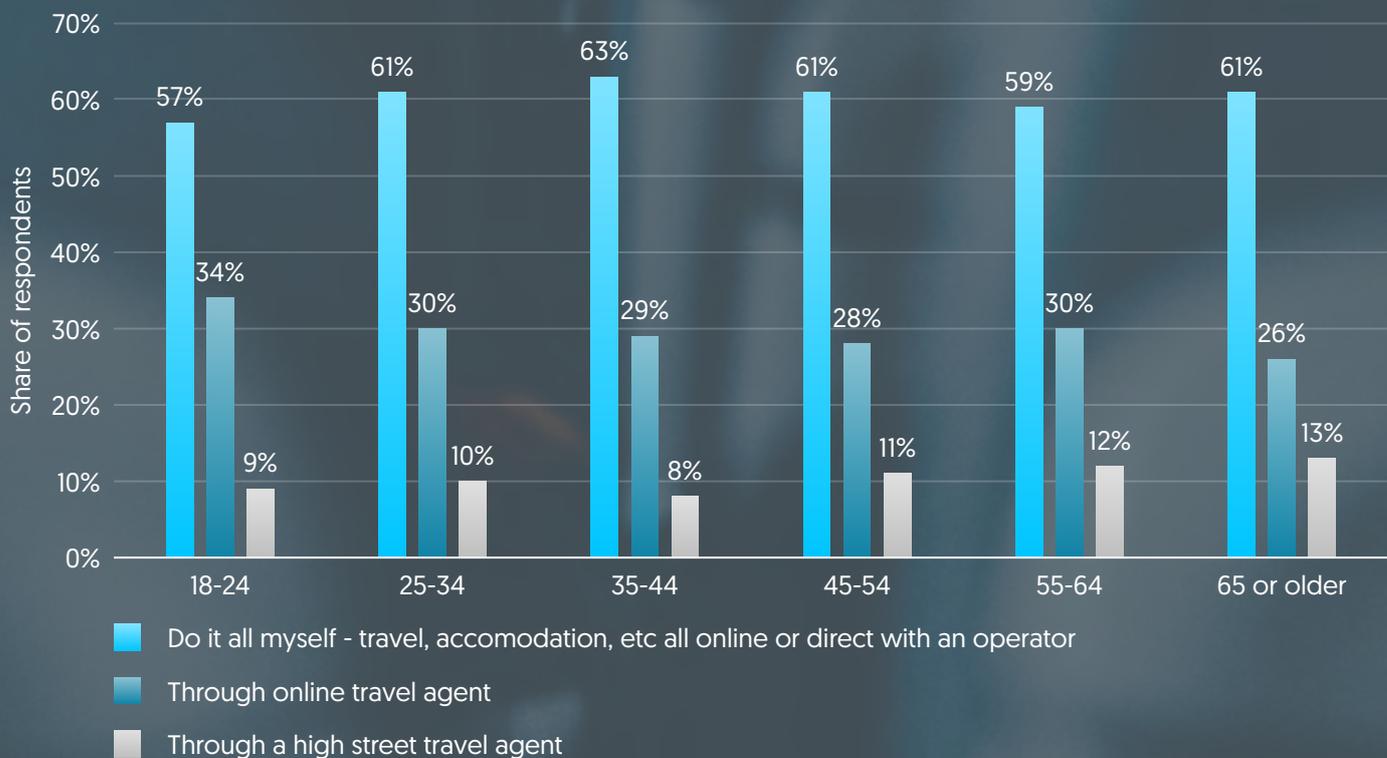
when needed. Technology can help ease the booking process for consumers too, particularly in light of the new requirements. Differing government legislations and their tendency to change without much warning, make travelling logistically more difficult. Brands can use technology to simplify this process, but will need to collaborate with others in the category to ensure the end-to-end experience is as uncomplicated as possible.

Health and hygiene concerns can be mitigated by providing contact-light or contact-free trips. Automation of hotel check-ins,

digital key cards, self-service, cleaning etc. will give consumers confidence to travel again. Similarly, crowd-control technology can help ease queues in congested areas such as airports and train stations, or even at attractions or in cities – helping to avoid over-tourism.

Disruptive technologies such as blockchain can not only help improve collaboration across the industry in terms of transparency and security, but can also provide a way for brands to measure their environmental impact and to make this information available to their sustainability-conscious consumers.

Holiday booking methods used in the UK 2020, by age



Source: dunnhumby Beyond; July 2020



WHAT DOES THIS MEAN?

The pandemic has given the travel category an opportunity to reset and improve. Business models need to change, as brands will find themselves increasingly judged on the experience and service they provide rather than on their products or pricing. Technology will be critical in aiding brands to appeal to a greatly changed customer and delivering on new expectations regarding health, hygiene, flexibility and sustainability.

