

Travel & Hospitality: An Industry Snapshot

The travel landscape has been in a constant state of flux since the start of COVID. Now with the pandemic firmly behind us, the travel industry is embracing a tidal wave of enthusiastic travelers. As we settle back into a reality free from travel restrictions, we take a look at how consumers are choosing to travel.

Here, we provide a data-driven snapshot into the world of travel and hospitality to help brands prepare for future consumer expectations. We measure consumer sentiment towards key trends including this year's surge in personal travel and airline loyalty.

With the Travel Floodgates Open, How are Americans Deciding where to Vacation?

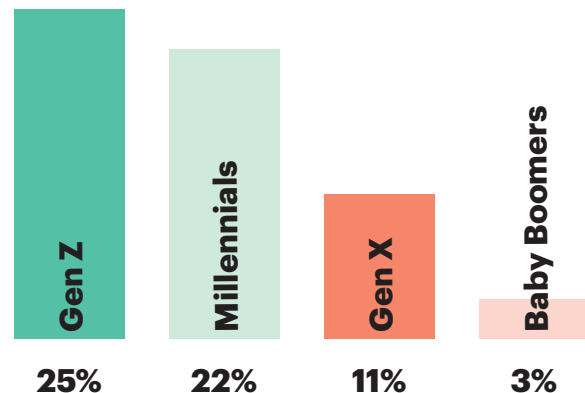
2023 will go down as a banner year for travel. With most COVID restrictions and requirements finally in the rearview mirror, Americans are enthusiastically booking trips domestically and abroad. International bookings, especially to Europe and Asia, are surging, and [summer 2023 travel](#) is already breaking records.

According to a recent Harris Poll survey, 85% of US adults like to travel, and **half (48%) plan on taking a personal trip** (e.g., vacation, destination remote work) **in the next six months**. The percentage of US adults with impending trips even slightly exceeds the percentage who report typically taking at least one personal trip each year (44%). With all destinations once again open for business, how are these eager travelers selecting vacation spots?

Americans who take at least one personal trip a year **most often consider cost (66%) when selecting a travel destination**. This is hardly surprising as inflation looms large in most consumers' minds. Hotels, flights, meals, and rental cars all cost more than they did pre-pandemic. [NerdWallet estimates](#) that **overall travel costs in May 2023 were up 16% from May 2019**.

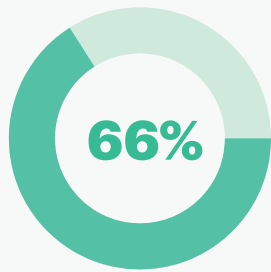
"I have **planned a trip** because of **something I saw online**."

Base: Gen Z adults, total (n=153). Base: Millennials, total (n=299). Base: Gen X, total (n=258). Base: Baby Boomers, total (n=321). QS5Q1 Which of the following statements about travel are true for you? Please select all that apply. I have planned a trip because of something I saw online (e.g., social media, blogs).



Beyond cost, consumers consider the overall trip experience when selecting a vacation spot, including the **type of destination** (e.g., beach, urban) (58%), **local weather patterns** (51%), **“bucket list” destinations** (37%), **nearby entertainment options** (e.g., attractions and landmarks, shopping) (36%), **proximity to family or friends** (31%), or **traveling to attend a specific event** (e.g., sporting event, show) (27%).

“Which of the following factors typically **influence your decision** when **selecting a destination** for personal travel?”



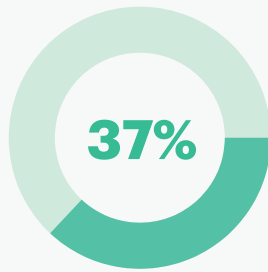
Cost



Type of Destination



Travel Distance



“Bucket List” Destination



Advertising

Base: Takes at least one personal trip a year, (n=481) QS5Q2: Which of the following factors typically influence your decision when selecting a destination for personal travel (e.g., vacation, destination remote work)? Please select all that apply.

Travelers heavily rely on their own previous travel experiences (43%) when planning their next vacation. **Less often, travelers look to others for inspiration**, including recommendations from someone they know (31%), or reviews from other travelers (26%). **Only 12% say they are swayed by depictions of destinations in the media (12%)**. Most (68%) agree that online travel content (e.g., social media, blogs) does not reflect reality. However, **13% of US adults (and a quarter of Gen Z adults) admit that they have planned a trip because of something they saw online** (e.g., social media, blogs).

While 2023 will be a busy travel year, this surge may be temporary. **Only a small number of Americans (16%) prioritize travel more highly now than they did pre-pandemic. Even fewer (14%) report traveling more now than they did before COVID.** Once US adults release years of pent-up travel excitement, we may see demand return to pre-pandemic levels.

Welcome to the Not-So-Friendly Skies – What Can Airlines Improve to Attract Loyal Flyers?

Flight delays, small seats, expensive tickets, baggage fees, long layovers...air travel quickly tests even the most patient passengers. While expedient, commercial flights are not often enjoyable. **We surveyed US adults to determine what aspects of air travel they would most like to see improved.**

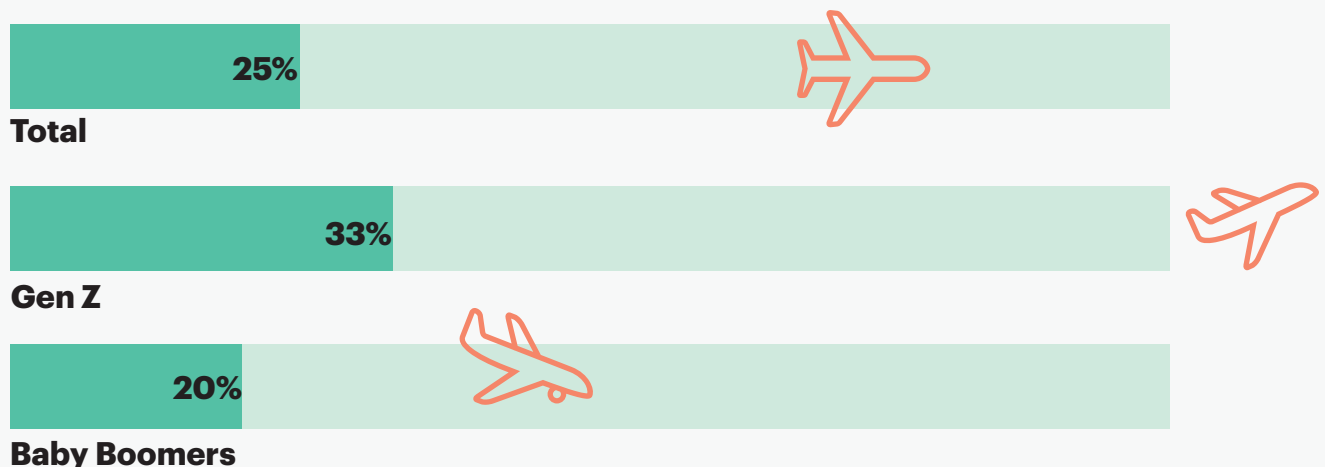
US adults who fly at least once a year most often said that airlines should improve **ticket costs (27%), if air carriers were to only improve a single aspect of the flying experience.** Following price, consumers want to see an increase in **flight consistency** (e.g., on-time arrivals and departures, number of cancellations) **(17%), comfort** (e.g., seat size, leg room) **(14%), and booking flexibility** (e.g., cancellation policy, rebooking policy) **(8%).**

A quarter of US adults (25%) prefer booking with the same airline each time they fly. Of those with a preferred carrier, **ticket cost (53%) is the number one reason these travelers favor a specific airline over another.**

Beyond cost, customers are typically attracted to their preferred carrier due to **previous experiences (52%) - such as a positive flight or booking experience.** Many consumers with a preferred airline report that the airline has earned their repeat business due to the **ease of booking with that carrier (48%), flight consistency (42%), good customer service (38%), airline perks** (e.g., loyalty program, affiliated credit card) **(35%), a favorable luggage policy (32%), the airline's booking flexibility (32%), available booking destinations (31%), or overall comfort (30%).**

Once considered a luxury, **air travel has largely devolved into an expensive headache.** It's time for airlines to assess the flying experience they provide passengers. Air travel should not feel like a chore. **Even seemingly small changes to aspects of the travel journey, such as updating the baggage policy or increasing booking flexibility, could pay off long-term if an airline can increase customer satisfaction and convert loyal flyers.**

“When I fly, I **prefer to book with the same airline** each time.”



Base: Total US adults, n=1089. Base: Gen Z, n=153. Base: Baby Boomers, n=321. Q55Q1: Which of the following statements about travel are true for you? Please select all that apply. When I fly to a destination, I prefer to book with the same airline each time.

Travel Brands Spark Enthusiasm with Technology

According to [Harris Brand Platform](#) data, two of Booking Holding's brands – **Kayak** and **Booking.com** – ranked as top growth travel brands from Q1 to Q2 2023, based on quarter-over-quarter brand equity growth. **Both brands generated consumer enthusiasm by releasing new technology in Q2 that made travel planning/booking faster and more convenient.**

Brand equity measures the value consumers see in a brand at a particular moment in time. This number is in constant flux, as consumers react to a brand's decisions, marketing campaigns, missteps, and wins in real time. It is an average of four components – consumer brand **familiarity**, perceived **quality**, purchase **consideration**, and perceived **momentum**.

From Q1 to Q2, Kayak experienced a **+2.7 increase in brand equity**, with their **biggest gains in perceived brand momentum (+3.3)**. Booking.com saw a slightly smaller quarter-over-quarter **increase in brand equity (+2.3)**.

Brand	Change in Brand Equity	Change in Momentum	Change in Consideration	Change in Quality	Change in Familiarity
Marriott Bonvoy	3.5	3.2	3.6	3.9	3.2
Vrbo	3.1	0.8	3.6	3.7	4.3
Intercontinental Hotels Group	2.9	1.9	3.6	2.4	3.6
Kayak	2.7	3.3	2.7	2.6	2.0
Booking.com	2.3	2.4	2.6	2.4	1.6

Table: The Harris Poll • Source: Harris Brand Platform • Created with Datawrapper

In May, Kayak released a **“Best Time to Travel” tool**, which makes it easier for consumers to determine the best time to travel to a desired destination. The **tool forecasts flight/hotel prices, weather patterns, and the number of other tourists** to recommend when consumers should book and visit for the best price and overall trip experience.

Kayak also made tax season a little more fun with their **Tax Refund Trip Calculator**. If a consumer inputs the amount of their tax return, Kayak shows a map of affordable destinations. In addition to budget, travelers can input what type of trip they are interested in booking, and a flight time limit.

Not to be outdone by its sister brand, Booking.com embraced technology by integrating ChatGPT into their app's new **AI Trip Planner**. The use of AI allows consumers to “talk to” the system in natural language, describing their trip preferences to AI Trip Planner like they would to a friend. AI Trip Planner uses this information to provide a suggested list of accommodations, and it can generate full trip itineraries.

*“Our primary goal at Booking.com has always been to **leverage technology to make travel easier...** Our new AI Trip Planner is simply the next step in our ongoing journey to **explore how we can bring even more value, and hopefully enjoyment, to the entire trip planning process.**”* – Glenn Fogel, CEO of Booking Holdings











How do Travel Brands Stack Up?

Using data from Harris Brand Platform, we rank the top 10 brands with the highest brand equity scores across travel and hospitality. This represents the brands with the highest perceived value based on their reputation with their audience. Scores reflect data from April - June 2023.

We also highlight the five brands that saw the greatest growth in their brand equity scores in the second quarter of the year. This shows that overall consumer perception of the brands' values significantly rose over this period of time.

Top 10 Brands by Brand Equity Score

Numbers show each brand's equity score across the general population in Q2 2023.

 Hilton HOTELS & RESORTS	56.0%	 enterprise	48.8%
 MARRIOTT	55.2%	 DELTA	48.2%
 Holiday Inn	54.0%	 BW Best Western Hotels & Resorts	48.0%
 American Airlines	50.4%	 Expedia	47.5%
 UNITED	49.3%	 Hampton by HILTON	47.1%

Top 5 Brands by Growth in Brand Equity

Numbers reflect the percent growth of each brand's equity score from Q1 to Q2 2023.

 Marriott	 Wibo	 INTERCONTINENTAL	 KAYAK	Booking.com
3.5%	3.1%	2.9%	2.7%	2.3%

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