



The Halo Effect of Travel Recovery

How Travel Industry Recovery Will Shape the Economy

NBCUniversal

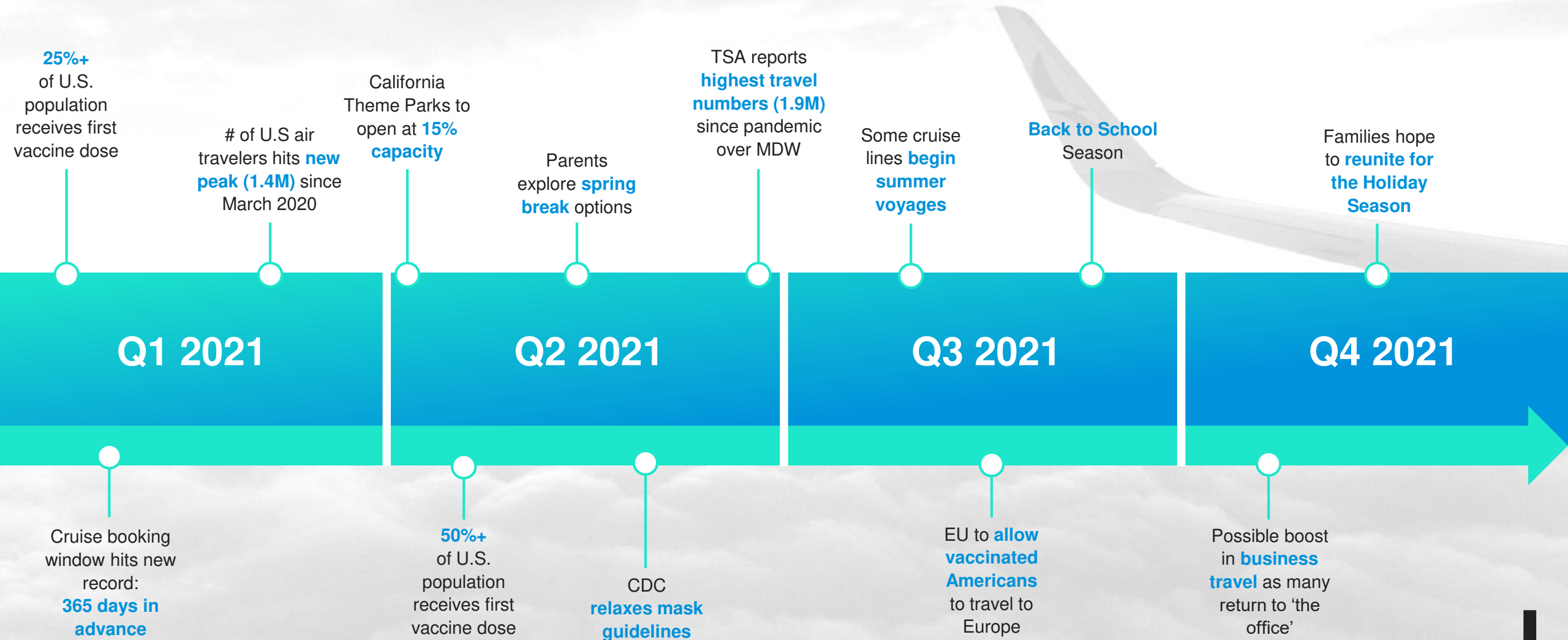
Preparing for the Travel Halo Effect

While travel recovery will be long-term, pent-up consumer demand points toward a travel boost this summer. Travel recovery doesn't just mean growth for the tourism industry. According to the WTTC & Oxford Economics, **the travel industry has a 3x multiplier on indirect industries.**

As the industry begins to rebound, evolved behaviors and mindsets are creating new travel scenarios. This presents an opportunity for both travel and travel adjacent brands to understand new consumer demands and consider how best to connect with these audiences in a post-pandemic setting.



While Travel Recovery Will Be Long-term, the Industry Is Beginning to Gain Momentum



Travel Recovery Doesn't Just Fuel Tourism

The travel category is the backbone of the service industry and the economy at large.

If travel were a country, it would be

the 3rd largest economy
in the world

Prior to the pandemic, travel & tourism accounted for

1 in 4 of all new jobs
created across the world

For every dollar spent on travel

\$3 additional dollars are spent
on indirect categories, the second highest impact of any category

As the Industry Rebounds, Evolving Consumer Behaviors and Mindsets Have Created New Travel Scenarios



01. The 'Flexication'

Audiences are balancing work with travel, working from new places as a hybrid model becomes more common



02. The 'Treat Yourself' Trip

With many consumers viewing travel as a reward, indulgence in luxury experiences is likely to grow



03. Traveling with Intention

Travel choices are being viewed as a reflection of identity, leading to more values-driven decisions



04. International Arrivals

International travelers are still wary of booking trips, but a wave of travel is anticipated in 2022

01. The 'Flexication'



While desire to travel dipped as the nation entered a lockdown,

Demand Quickly Returned as Travelers Looked for Flexibility

In addition to increased demand, sites like Vrbo and Airbnb saw a 25% increase in searches related to long-term stays.

Search Index for Airbnb, Vrbo

(Google Trends, Latest 5 Years)



THE 'FLEXICATION'

Prioritizing Work/Life Balance, Employees Are Taking Full Advantage of Working Remotely

Demand spiked early in the pandemic

2x

Hosting sites like Airbnb and Vrbo saw 2x growth on long-term stays at the onset of the pandemic, as well as long weekends

Supply has continued to grow to meet demand

80%

of Airbnb hosts now offer long-term stay options (1 month or more)

Remote work likely remains in the future

20%

of American workers are projected to continue working remotely by the end of 2021, up from 7% pre-Pandemic

Continued demand for 'flexications'

48%

of Americans said the ability to work remotely and flexible school schedules is why they want 'flexications', taking long weekends to escape to somewhere new

THE 'FLEXICATION'

More Fluid Travel Scenarios Will Likely Have a Halo Impact Across Multiple Industries

Retail/Restaurant
Flexication travelers spend **2.3x
more on restaurants/retail**
vs. typical tourists



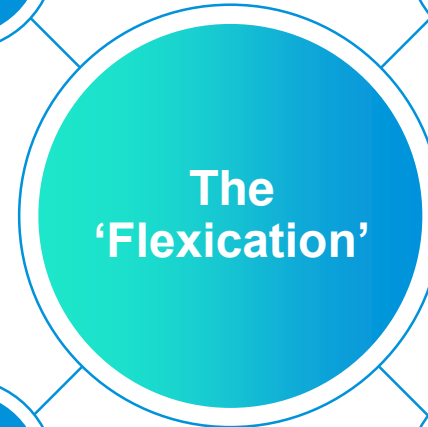
Home
50% of the income
generated from
flexications is **spent on**
direct home purchases



Entertainment
In a Chicago-based study,
flexicationers spent **48%**
more on arts and culture



Total Economy
**115K estimated unique
jobs were created** in
Florida alone to support
the long-term vacation
rental business



Unlock Growth Potential by Connecting with the 'Flexication' Taker

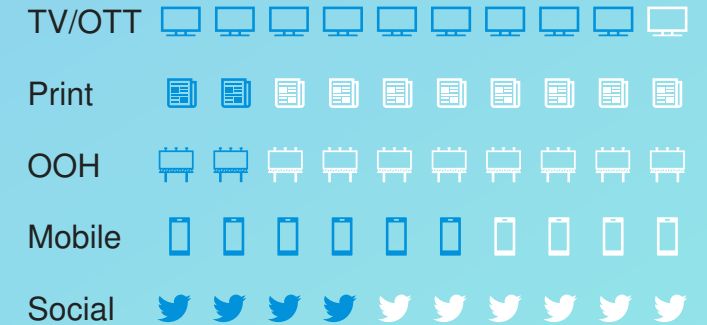
Meet Ashley

Ashley pours herself a cup of coffee as she hears her laptop ping back in her bedroom, now turned home office. Comfortable in her one-bedroom apartment in the city, she's looking for some breathing room but not ready to move for good. After watching an episode of *Somebody Feed Phil* the night before, she caught the travel bug. Looking at the calendar on her laptop, she sees she doesn't need to be in the office for any meetings for another week so she unlocks her phone and opens Vrbo for ideas.

Key Demographics

- Mid 20s to mid 30s
- Earns \$80-\$175k
- More likely to be White or Asian
- Married with no kids
- Employed in white collar job with flexible work arrangement
- 31% more likely to stream AVOD

Media Consumption/Influence



Passion Points

- Music (106/37%)
- Baking (96/30%)
- Watching Sports (137/21%)
 - NBA (147/24%)
- Hosting friends (153/23%)

Key Categories



Pet
(225)



Alcohol
(114)



Beauty
(112)

A grayscale photograph of a modern spa or pool area. In the foreground, a row of white lounge chairs is neatly arranged, each with a rolled-up white towel. The chairs are set on a light-colored, polished floor. In the background, there is a swimming pool with a glass door and a metal ladder. The walls are made of large, light-colored stone tiles. The overall atmosphere is clean, minimalist, and relaxing.

02.

The 'Treat Yourself' Trip

THE 'TREAT YOURSELF' TRIP

With Many Consumers Viewing Travel as a Reward, Indulgence in Luxury Experiences is Likely to Grow

Luxury was
already on the rise

55%

of Americans have had
an element of luxury as
part of a leisure trip in
the past five years

Increased personal
savings rates

27.7%

U.S. personal savings
rate in March 2021

Intentions to
splurge on travel

61%

of global travelers plan
to spend more than
they normally would
on a trip in 2021

Travel bucket
list mentality

66%

of people globally
were inspired to create
a travel bucket list
in 2020

THE 'TREAT YOURSELF' TRIP

Brands Are Responding to the Growing Desire and Redefinition of Luxury Experiences



**“As Restrictions Loosen,
Families Travel Far and
Spend Big”**

The New York Times



**“The Uberization of
Private Jets Might Be
Here to Stay”**

WSJ



**“American Airlines
Adds Family-Friendly
Premium Service”**

Forbes

THE 'TREAT
YOURSELF' TRIP'
**A 'Moments of
Luxury' Mindset
Will Likely Have
a Halo Impact
Across Multiple
Industries**

Sources: Mintel Luxury Travel Report (March 2021);
Expedia Media Group Solutions Trend Report (Q1 2021);
Lending Tree Travel Survey (January 2021); McKinsey

Retail/Apparel
44% of adults believe **shopping** is a
must-have activity for a luxury trip



Restaurant
63% of adults believe
fine dining is a
must-have activity
for a luxury trip



Finance
20% of adults plan to
open a **new travel
credit** card in 2021



**The 'Treat
Yourself' Trip**

Insurance
9% **global travel
insurance CAGR**
is predicted for
2021-2025



Luxury
30% of **luxury industry
revenues** are generated
by consumers making
purchases outside of their
home countries



Unlock Growth Potential by Connecting with the ‘Treat Yourself’ Tripper

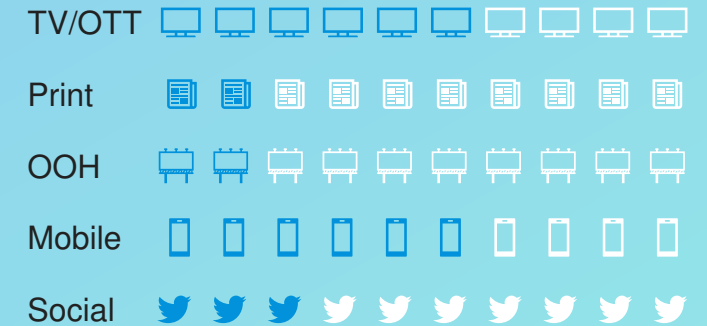
Meet Jason

Key Demographics

- Married, father of two (308)
- Is in his mid-40s (178)
- Makes between \$125-\$150k annually (230)
- Employed full-time in middle management (176)

Jason likes to start his day with a **cup of coffee** and a **granola bar**. He gets up a little early to catch the latest segment on his **NPR One app**. He pours out two glasses of **orange juice**, a habit he developed when his kids were young. Now that **they're teens**, they won't be up for a few hours. Since last year **wasn't terrible financially** and he **feels good** about his bonus this year, he takes the time this morning to **Google** inspiration for some leisure destinations to treat himself and his family.

Media Consumption/Influence



Passion Points

- Running (24%/130)
- Hiking (23%/242)
- Comedy shows (27%/122)
- Attending live sports (42%/174)
- Golf (15%/234)

Key Categories



Home
(226)



Toys
(172)



Tech
(117)



03. Traveling with Intention

TRAVELING WITH INTENTION

As Consumers View Travel Choices as a Reflection of Identity, Many Are Embracing Values-driven Experiences

Global focus on sustainability

68%

of global travelers agree they are trying to be more aware of sustainability-friendly travel brands to support

A more conscious travelling mindset

62%

of travel planners are interested in making conscious (e.g., environmental, sustainable, ethically sound) travel decisions

From 'overtourism' to 'philantourism'

59%

of global travelers are interested in 'philantourism', the act of choosing a vacation or experience in order to support a destination through tourism

Choosing brands that align with values

69%

of global travelers want to choose an airline/hotel that values diversity and inclusion, and whose employees reflect a diverse customer base

TRAVELING WITH INTENTION

Brands Are Responding as Some Consumers Rethink How and Where to Travel



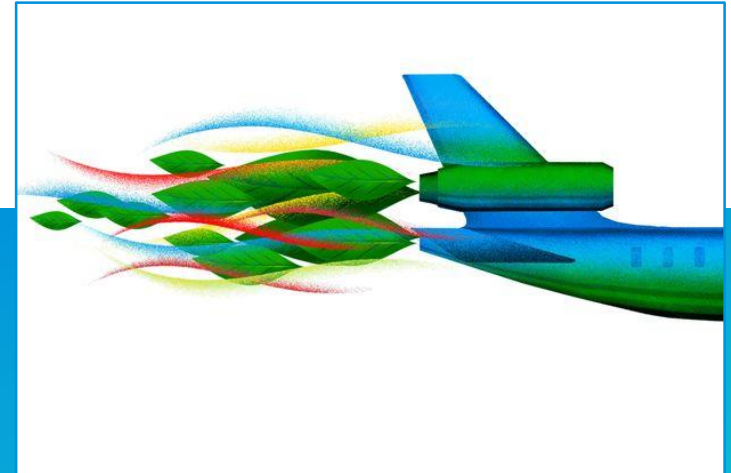
“Traveling With a Purpose: For Some, It’s a 2021 Resolution”

The New York Times



“Launching Good Travel with Marriott Bonvoy in APAC”

Marriott
INTERNATIONAL



“Airlines Push to Reduce Carbon Footprint with Greener Fuels”

WSJ

TRAVELING
WITH INTENTION

A Values-led Mindset Provides an Opportunity for Brands Across Industries to Create Connection

Retail/Apparel

53% of global travelers are **willing to pay more** for products that demonstrate environmental responsibility



Restaurant

77% of global travelers want to be more conscious about **supporting local businesses** while traveling



Traveling with Intention

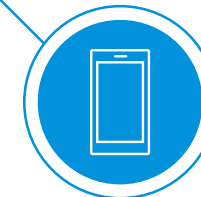
Auto

50% of global travelers would **consider a car rental** for getting around a destination to avoid public transit



Tech/Telecom

55% of global travelers are excited about **tech's potential to further personalize** their travel experiences in the future



Unlock Growth Potential by Connecting with the 'Intentional' Traveler

Meet Ivan

Key Demographics

- Younger than 45
- Earns \$100K or less annually
- Equally likely to be male/female
- More likely to be multicultural (Black, Asian, Hispanic)
- Has children
- Likely to be renting his/her home

Ivan wakes up and starts to prep a **healthy breakfast** for his twin daughters as they watch their favorite **cartoons**. After breakfast he squeezes in a quick game on his **PlayStation** before switching over to **Telemundo** to watch the latest **international soccer** match. He sees some travel ads and since his **finances should be better** over the next 12 months, get inspired to plan a family vacation where everyone can do **outdoor** activities.

Media Consumption/Influence

TV/OTT         

Print         

OOH         

Mobile         

Social         

Passion Points

- CrossFit/Bootcamp (170/8%)
- Running (137/13%)
- Going to the movies (103/49%)
- International Soccer (343/5%)
- Kids/Family programming (209/34%)

Key Categories



Vegetarian Groceries
(227)



Electric Vehicle
(169)



Arts & Crafts
(142)



04.

International Arrivals



INTERNATIONAL ARRIVALS

Travel Amongst International Citizens Is Going to be Critically Dependent on Vaccine Status and Rollout

Future of travel bookings are tied to vaccine access

77%

of global travelers said they'd be more likely to travel internationally once they receive the vaccine

Incoming tourism to the US is not likely to rebound until 2022

95%

of all travel searches for US destinations were coming from domestic US-based searches in March 2021

Percentage of Fully Vaccinated Population

(as of June 17, 2021)



44%
USA



24%
Italy



45%
UK



21%
France



14%
Canada



6.3%
South Korea



27%
Germany



5.6%
Japan

INTERNATIONAL ARRIVALS

74% of International Travelers Are Planning to Travel Domestically with Many Countries Launching Incentive Programs to Capture Demand



“Qantas’ Australian ‘Flight to Nowhere’ sells out in ten minutes”

BBC
WORLD
NEWS



“Italy launches ‘Holiday Bonus’ to boost battered tourism sector”

BARRON'S



“Rental car shortage across Europe points to increases in domestic travel ”

 REUTERS

INTERNATIONAL ARRIVALS

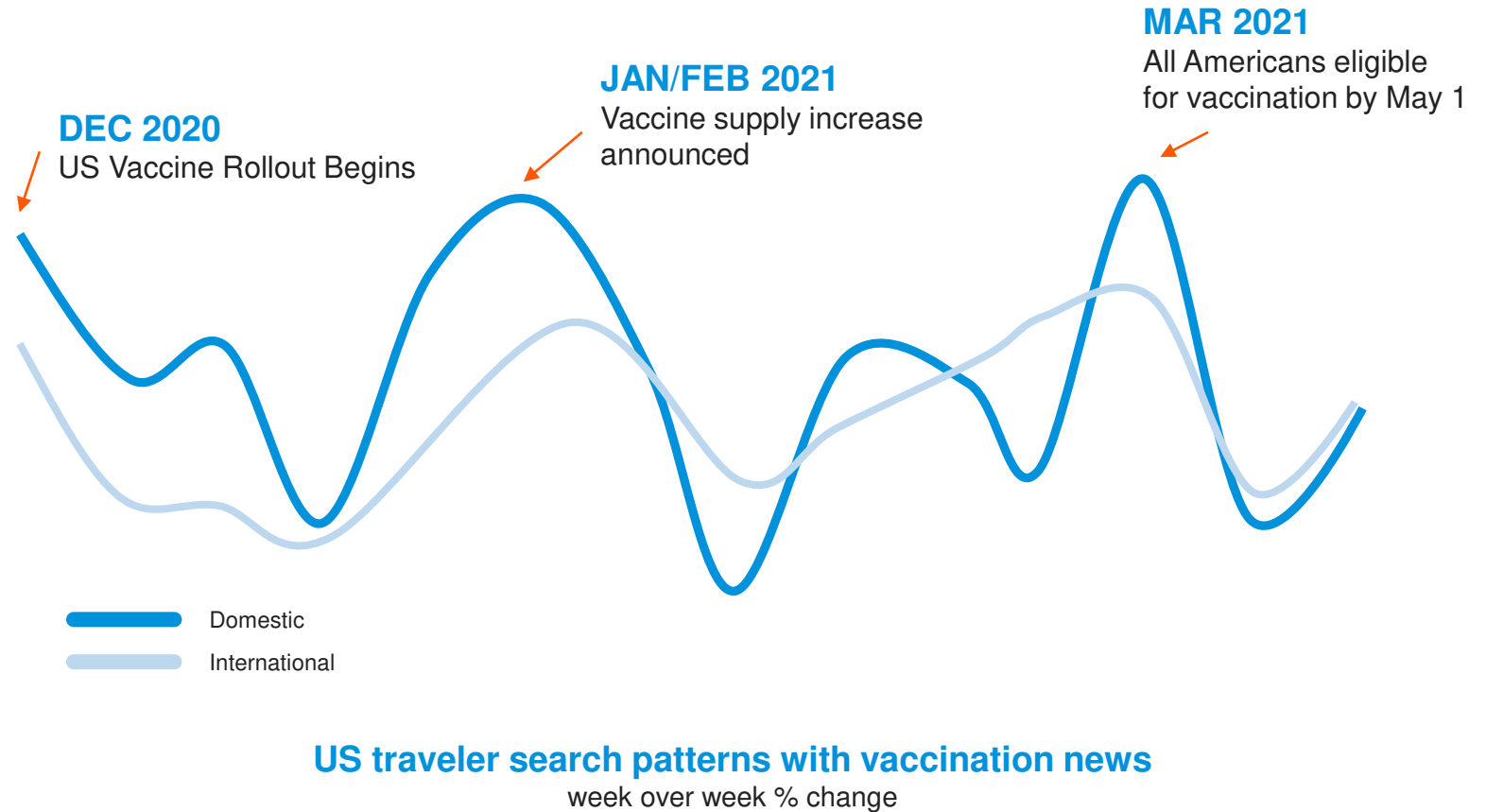
The US Model for Travel Recovery Serves as an Indicator for Future Tourism Spending and Points to a Big Wave in 2022

61%

of global travelers plan on **spending more than they normally would** on a trip in 2022 to make up for 2020

23 Days avg

According to the Latin American Travel Association, travelers are booking longer trips in 2022 for an average trip of **23 days** (vs. 10)



INTERNATIONAL
ARRIVALS

Companies Should Prepare for the Unprecedented Resurgence of Travel Demand in 2022 and Understand What International Travelers Want When Booking



Unlock Growth Potential by Connecting with the International Traveler

Meet Hae

Hae is a 27-year-old from Seoul and loves to travel with her long-term boyfriend. They usually take 3-4 trips a year but had to cancel their travel plans in 2020 due to the pandemic. This year, they're cautious about booking any upcoming trips because of all the changing restrictions and rules. They're saving up for a bigger long-haul trip in 2022 where they plan to visit multiple countries and spend more than they normally would.

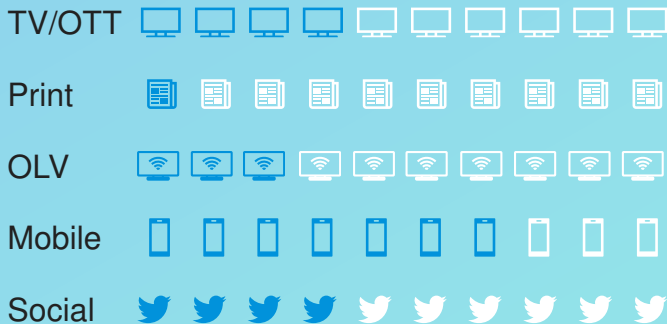
Key Demographics

- In a Relationship/Married (53%)
- No Kids (48%)
- AAPI (48%)
- Age 25-35 (29%)
- Not likely to have vacation plans in 2021 (37%)
- Would consider taking a long weekend or city break (47%)

Passion Points

- Sustainability/Environment (48%)
- Exercise (49%)
- Soccer (76%)
- Basketball (35%)
- Dining Out (52%)
- Music (57%)
- Films/Cinema (56%)

Media Consumption/Influence



Category Index

Fashion	32%	Beauty	34%
Fitness	40%	Gaming	39%
Wellness	44%	Tech	49%
Food & Drink	53%	Cars	34%

KEY CONSIDERATIONS:

Preparing for the Halo Effect of Travel Recovery



01. The 'Flexication'

Embrace the hybrid future of work and travel

Travelers looking to experience something new still look for something familiar. Advertise to ensure your brand is top of mind as 'flexicationers' take advantage of new work fluidity.



02. The 'Treat Yourself' Trip

Attainable luxury is here to stay

Inform and invite audiences to participate in the luxury or upgradeable moments your brand has to offer as they curate their own experiences.



03. Traveling with Intention

Creating a better 'new normal' requires collective responsibility

Evaluate and communicate the role your brand plays in the world and provide your customers with options that allow them to contribute to a higher goal with their choices.



04. International Arrivals

Reassurance and flexibility are key

Global audiences are cautious yet eager to travel again. They need reassurance and encouragement to book international trips. High-touch communications around safety and flexibility will boost bookings in 2022.

WHAT'S NEXT:

Watch Out for Additional Consumer Insights & Trends from NBCUniversal + Sky

Engaging the Leisure Traveler:

2021 + Playbook

Global Traveler Snapshot

2022:

Understanding
mindsets and drivers
as regions relax travel
restrictions

The Future of Business Travel:

Is Growth on
the Horizon?

The New American Family:

Who They Are
& How to Connect



Thank You!

NBCUniversal