

NBCUniversal

2022

Travel Industry Assessment



Welcome!



Introduction

Explore NBCUniversal's latest perspectives and insights into the Travel industry. This report provides an overview of recent marketplace dynamics, our prediction of key future trends impacting the industry, and strategic recommendations for Travel brands and marketers as they navigate what's next.

Our Approach

At NBCUniversal, we have a legacy of working with a diverse range of Travel partners to build their brands. This report has been created based on NBCU's:

- Ongoing Industry Evaluation
 - Conversations with Travel Advertisers and Agencies
 - Continual Marketplace Analysis
 - Examination of Consumer Attitudes towards the Travel Industry
-



NBCUniversal Has a Unique Perspective

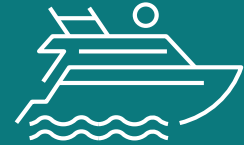
In 2022, NBCU worked with:
65+ travel industry advertisers



Airlines



**OTAs &
Websites**



Cruises



**Hotels &
Lodging**



Tourism



**Rental
& Rideshare**

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2022 Landscape

Travel Forward-Looking Trends

NBCU Travel Strategic Considerations

NBCU Relevant Materials



2022 Landscape

Overview of Key Travel
Marketplace Dynamics



In 2022, travel brands and destinations prioritized

Keeping Pace with Demand

as travelers around the world felt ready to hit
the road and the sky with confidence this year



Travel Brands Prioritized Keeping Pace with Demand in 2022



Travel Demand Comes Roaring Back

For the first time since the start of the pandemic, consumer spending on domestic travel surpassed 2019 levels in Q2 2022.¹ This was followed by a surge in summer travel as consumers prioritized spending on fun despite looming economic uncertainty.



A Reward Mindset Is Embraced

This year traveler mindsets shifted beyond reuniting with family and friends. Many people booked travel as a reward and to make up for lost time amid 2+ years of travel restrictions and limitations. Travelers splurged on trips to unique destinations, entertainment events, and relaxing getaways.



Leisure & Long-Haul Drive Demand

As restrictions eased across the world, travelers booked long awaited international trips, especially across Europe. The micro-cation also remained prevalent, as some travelers opted for several shorter getaways throughout the year. While the outlook for business travel has improved, the length and frequency remain challenged.



Flexibility & Fluidity Remain a Focus

While travel confidence has grown, travelers continue to expect flexibility from travel brands and destinations as weather and illness impact travel feasibility. Additionally, the permanence of hybrid working models continues to shape new travel occasions and routines, creating new travel norms.

BRANDS ACROSS TRAVEL SUB-CATEGORIES ARE Adapting to Evolving Travel Mindsets & Behaviors

Airlines

Despite higher costs, **the number of domestic air travelers returned to 2019 levels over the summer.**

Amid labor shortages, many carriers struggled to keep up with demand. The blending of leisure and business trips presents an opportunity for the airline industry.

8.8M

travelers were screened by the TSA over Labor Day Weekend, the first holiday exceeding 2019 screening volume¹

Cruises

2022 has been a year of transition for the cruise industry. With passenger volumes expected to rebound to 2019 levels by end of 2023, cruise lines are investing in new ships and destinations, and adapting to new expectations for safety and sustainability.

80%

of travelers who have cruised before say they will cruise again – the same percentage as before the pandemic²

Hotels & Lodging

Occupancy rates are approaching pre-pandemic levels this year, even as hotel portfolios navigated staffing shortages. Brands are focused on the blurring of business and leisure occasions and responding to the continued rise of home share/rental options.

63%

is the expected average hotel room occupancy for 2022, approaching pre-pandemic levels (66%)³

Rental & Rideshare

The car rental and rideshare industry **continues to be challenged by car shortages and evolving travel behaviors.** Rentals are looking to modernize fleets via EVs and rideshare brands continue to diversify portfolios to drive business growth.

\$96

per day was the U.S. average rental car rate in summer 2022, up from \$51 in 2019⁴

OTAs & Websites

OTAs and travel websites saw significant engagement as leisure travel continues to gain momentum. Brands look to gain share by streamlining loyalty programs and providing more full-service options that meet the needs of different consumer segments.

+33%

increase in Expedia loyalty members in Q2 2022, when compared to 2019⁵

Travel Forward- Looking Trends

Key Trends We Expect to Influence
Travel Marketing & Media Strategies



LOOKING AHEAD
**Key Travel Trends
We Expect to
Influence
Marketing & Media
Strategies**



Evaluating Travel's
Role as Essential



Moving from
Complex to Curated



A Desire for More
Mindful & Meaningful Trips



Tech Elevates
the Travel Experience



Demand for
Diversity & Inclusivity

Evaluating Travel's Role as Essential

A powerful and newly heightened human desire for connection and exploration is expected to elevate the role of travel in people's lives.

75% of American travelers say they still consider travel to be a worthwhile investment during a downturn.¹

Despite growing economic uncertainty, there is a strong desire to travel to celebrate an occasion, connect and foster relationships, or escape from the stress of daily lives.

We expect travel brands to play an increased role in not only facilitating travel, but also inspiring and validating travel choices.

Vacation Motivations

Q: "Why are you taking your vacation in 2022?"²

65%

To Relax

39%

To Improve
Mental Health &
Wellbeing

39%

To Have an
Adventure

31%

To Feel
Normal

29%

To Strengthen
Relationships

29%

To Take a Trip
I Had to Put Off

23%

To Continue
a Tradition

22%

To Celebrate
an Occasion

"The desire to **explore new lands, immerse yourself in new cultures**, try new foods, visit with friends and family and make new friends has been **part of the human condition forever**, and that's a lot of what drives my optimism."

ANTHONY CAPUANO
CEO Marriott International 

Moving from Complex to Curated

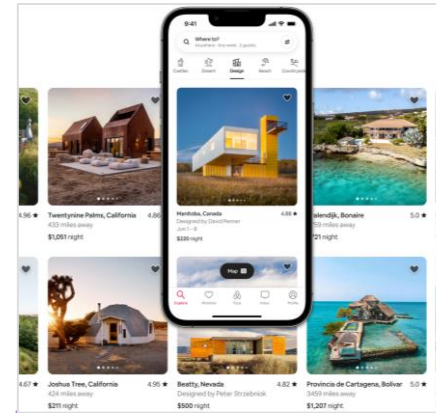
Consumers turn to travel brands to simplify a complex planning journey and provide curated, expert advice.

Today's traveler looks at an average of 6 sites during their booking process.¹

As exciting as the dreaming phase of travel may be, many see the planning phase as daunting. For international trips, where the stakes are higher, it's estimated that a minimum of 40 hours of research goes into planning.²

Brands are increasingly expected to help remove barriers and provide expert guidance that makes the planning process easier and more exciting, and makes every trip feel like a once-in-a-lifetime experience.

Skift



"Airbnb Reorganizes its Search Around Curated Categories."

NBC NEWS



"Travel Subscription Plans from Airlines and Hotels Are Expanding."

CNBC



"Google Adds New Search Features to Try to Give Users the 'Vibe' of a City or Neighborhood."

A Desire for More Mindful & Meaningful Trips

Brands are challenged to respond to growing traveler priorities around wellness, community, and environment.

While traditional factors impacting travel decisions such as costs, amenities, and loyalty programs remain top of mind, consumers are increasingly embracing values-driven travel choices and experiences.

We expect many brands will **evaluate and communicate the role they play in the world** and provide more conscious travelers with options that allow them to contribute to a passion or higher goal with their choices.



LOCAL CULTURE

81%

of global travelers agree they want to travel to destinations where they can immerse themselves into the local culture.¹



WELLNESS

71%

of consumers are interested in taking a vacation for the express purpose of improving their health and wellbeing.²



SUSTAINABILITY

61%

of travelers want to know how to travel sustainably, while just 46% feel they know what it takes to do so.³

Tech Elevates the Travel Experience

Brands invest in tech-enabled touchpoints to provide travelers with more personalized and seamless experiences.

Travelers have become accustomed to more choice and control over their travel experiences with the rise of touchpoints like onsite kiosks, online chatbots, and around-the-clock contact centers.

We expect travel brands to **consider strategies that enable them to communicate their unique approach to decision drivers like technology.**

Brands will increasingly be able to capture data and insight through these touchpoints and, when combined with their rich first-party loyalty data, will be able to improve their ability to deliver more personalized travel options and experiences.

MOBILE-FIRST

60%

of bookings are done in app, for travel brands that have an app available, up 41% from the prior year.¹

CONTACTLESS

62%

of travelers prefer to check in and out of a hotel using an app, versus just 8% who prefer to use a public-facing kiosk.²

“The big thing is **that technology and apps remove friction** – you can easily check-in online, or make dinner reservations, or even book shore excursions through the app. With technology, for me, it’s more about **how does it enhance the guest experience?** It’s about how to have a good experience and how to enhance it – finding the right balance.”³

BRIAN ABEL
SVP, Hotel Operations, Celebrity Cruise



Demand for Diversity & Inclusivity

As consumers call for meaningful representation and authentic depiction, travel brands demonstrate commitments to diversity and inclusivity.

78% of consumers say they have made travel choices based on promotions or ads that they felt represented them through messaging or visuals.¹

By not only reflecting, but accurately portraying diverse individuals and communities, brands can stay at the forefront of culture and deepen consumer relationships.

Source: 1. *Expedia Media Group*;



Connecting with All Consumers

“Everything we do at Booking.com is about enabling smoother and more enjoyable travel experiences for everyone – no matter where they come from, who they love, or how they identify.”

ARJAN DIJK
CMO and SVP

Booking.com

Demonstrating Diverse Representation

“Faces of Travel was designed to better reflect the diverse customers we see on our planes every day and ensure they feel seen and heard in broader travel culture.”

SHANNON WOMACK
Dir., Lifecycle Mktg.

DELTA

SUMMARY

Key Travel Trends We Expect to Influence Marketing & Media



Evaluating Travel's Role as Essential

A powerful and newly heightened human desire for connection and exploration is expected to elevate the role of travel in people's lives.



Moving from Complex to Curated

Consumers turn to travel brands to simplify a complex planning journey and provide curated, expert advice.



A Desire for More Mindful & Meaningful Trips

Brands are challenged to respond to growing traveler priorities around wellness, community, and environment.



Tech Elevates the Travel Experience

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NBCU Travel Strategic Considerations

Key Considerations for Driving
Growth for Travel Brands



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Travel Strategic Considerations



01. Inspire Travel Planning

Utilize high impact content environments and cultural events to capture attention, spark interest, and generate travel demand.

02. Reach Strategic Audiences

Leverage the combined power of incremental reach platforms and passion point content to connect and resonate with priority audiences.

03. Re-engage Business Travelers

Re-establish your brand relationship with business travelers and BDMs in relevant content environments and events.

04. Fuel Loyalty with a Data-led Approach

Leverage data to relevantly reach audiences across platforms and reinforce brand messaging with existing or prospective customers.

05. Create Interactive Experiences

Prompt audiences to discover, engage, or book through actionable content and commercial innovation.

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Travel Strategic Considerations



01. Inspire Travel Planning

Why: Brands desire to engage leisure travelers earlier in their planning journey to spark desire and generate demand.

Good For: Awareness | Consideration | Salience | Broad Reach | Storytelling | Launch

02. Reach Strategic Audiences

Why: Emerging platforms can help reach elusive audiences, while passion point content & contextual strategies capture attention.

Good For: Awareness | Targeted Reach | Brand Perception | Consideration | Loyalty | Ad Recall

03. Re-engage Business Travelers

Why: As business travel ramps up, brands need to reintroduce their offerings, so they can build salience, consideration and ultimately loyalty.

Good For: Awareness | Consideration | Brand Perception | Recall | Trust | Loyalty | Engagement

04. Fuel Loyalty with a Data-led Approach

Why: Data-driven approaches can help identify sources of growth, improve targeting, and tailor messaging.

Good For: Targeted Reach | Incremental Reach | Loyalty | Conversion

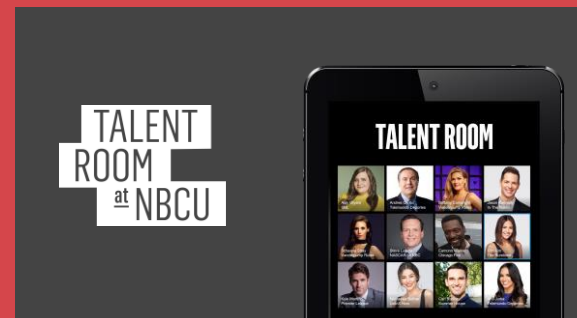
05. Create Interactive Experiences

Why: As the travel journey continues to evolve, brands must align with content experiences that both create and convert demand.

Good For: Consideration | Discovery | Engagement | Conversion

01. Inspire Travel Planning

Utilize high impact content environments and cultural events to capture attention, spark interest, and generate travel demand.



Alignment with IP

Align your brand with NBCU's premium, brand-safe, passion point content via sponsorship and integration opportunities.

Premier Live Events

Tap into the breakthrough moments and events that shape today's cultural conversation.

Cultural Heritage Celebrations

Celebrate Multicultural Audiences and drive impact by aligning with moments that matter year-round.

Talent Room

Explore NBCU's influencer hub, a standalone website connecting brands with the right talent to authentically share their brand story.

02. Reach Strategic Audiences

Leverage the combined power of incremental reach platforms and passion point content to connect and resonate with priority audiences.

Incremental Reach

Expand distribution by including platforms tailored toward more elusive audiences.

EXAMPLES:

| Audience | Platform |
|---------------------|------------|
| Millennials & Gen Z | Peacock |
| Frequent Fliers | ReachTV |
| Gamers | Anzu |
| Luxury Travelers | Apple News |

Passion Points

Build new connection points with consumers by aligning with audience interests.

EXAMPLES:

| Audience | Passion Point |
|--------------------------|------------------------|
| Foodies | Top Chef |
| Hispanic Audiences | World Cup on Telemundo |
| Business Decision Makers | CNBC News |
| Sports Enthusiasts | Golf Channel |

03. Re-engage Business Travelers

Re-establish your brand relationship with business travelers and BDMs in relevant content environments and events.

Real-time & Trusted News Environments

Relevantly reach and engage **audiences** through tailored storytelling in engaging editorial environments.



Experiential Expert Events

Lead the travel conversation by owning or co-sponsoring an event aligned with your brand.



Franchised



Third-Party

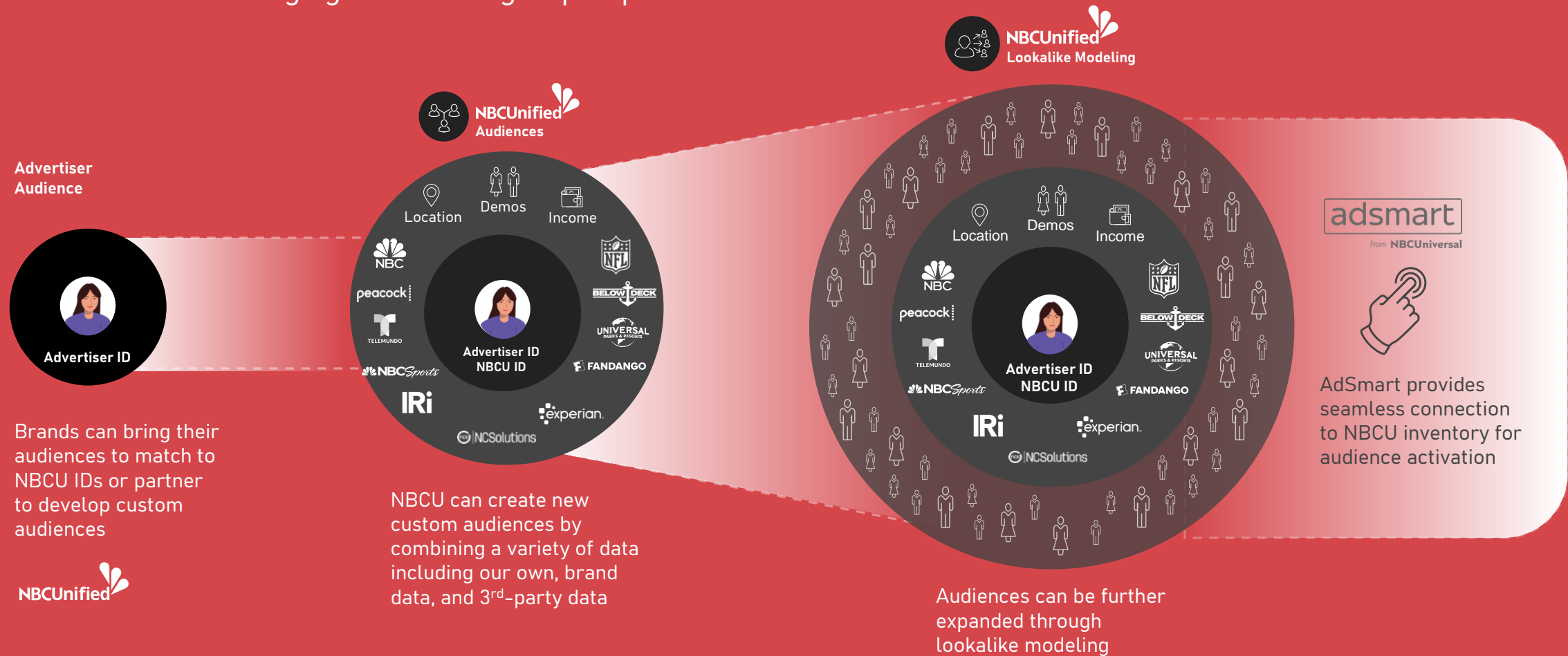


Custom



04. Fuel Loyalty with a Data-led Approach

Leverage data to reach relevant audiences across platforms and reinforce brand messaging with existing or prospective customers.



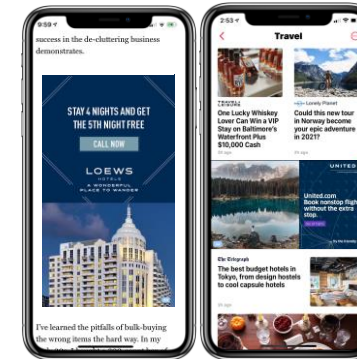
05. Create Interactive Experiences

Prompt audiences to discover, engage, or book through actionable content and commercial innovation.



Contextually Align with Relevant Content and Environments

- Create a relevant, authentic, and positive connection between consumers and your brand.
- Contextually align your brand with relevant NBCU programming based on specific moods, genres, events, or themes.



Influence Behavior via Apple News Actionable Ad Formats

- Reinforce messaging and generate quality leads via Apple News engaging ad solutions.
- Tap-to capabilities can drive users to site, app download, deep link within app, email, chat, map, wallet etc.



Prompt Interaction with Commercial Innovation

- Seamlessly blend advertising and content to better engage the consumer and create interactive viewing experiences.
- Formats include but are not limited to Expandable Image Gallery, Interactive Countdown Clock, Pause Ads, Engagement Ads, etc.

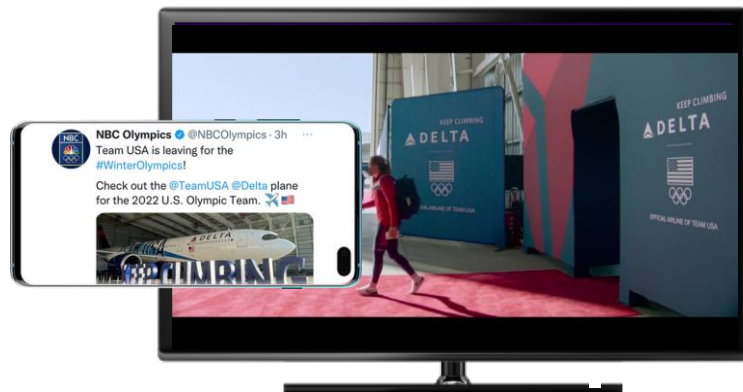
NBCU Relevant Materials

Example Travel Industry Partnerships



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Travel Partnership Examples



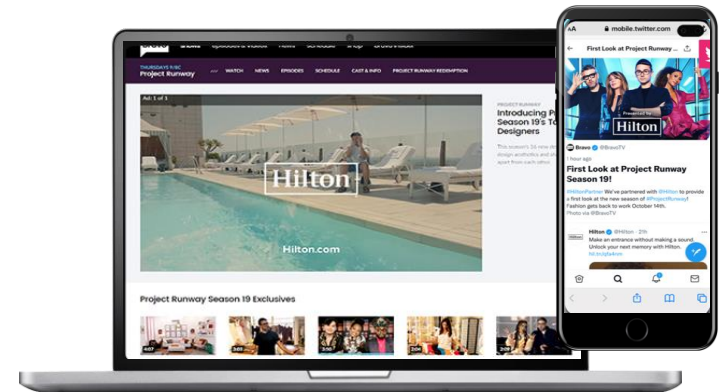
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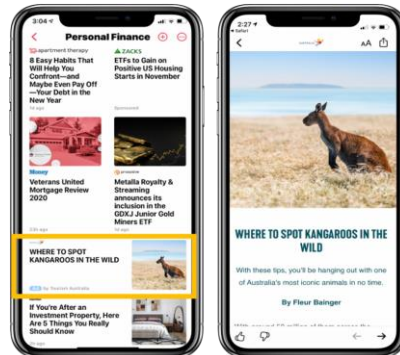
Hilton

bravo

TODAY



Uber



TOURISM AUSTRALIA



visit California

LM SUPER BOWL

NBC

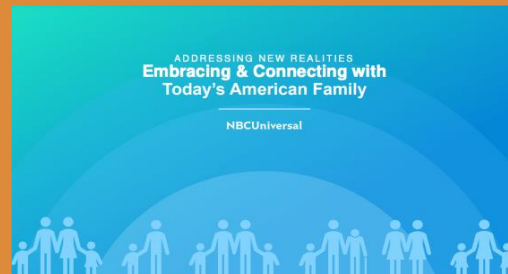
NBCU Travel Industry Content

TOGETHER SITE

Category Content & Strategies



Fueling the Cultural Conversation: Premier Live Events



Embracing & Connecting with Today's American Family



Blending of Worlds: Rise of a Global Culture



A Marketer's Guide to the Metaverse

Travel Case Studies



AdSmart + Travel Hotel Chain



AdSmart + Travel Luxury Resort



AdSmart Contextual + DTC Luggage Brand



Million Dollar Listing + Hotels.com

2022 Travel Industry Assessment

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