

NBCUniversal

2023

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

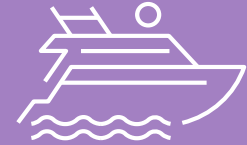
In 2023, NBCU worked with:
60+ travel industry advertisers



Airlines



**OTAs &
Websites**



Cruises



**Hotels &
Lodging**



Tourism



**Rental
& Rideshare**

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Key Industry
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with NBCU

Looking Back

2023 IN REVIEW



In 2023, the travel industry largely
moved beyond recovery mode
as most sectors surpassed pre-pandemic benchmarks and focused on navigating new challenges



Brands Adjust to a Changing Travel Landscape in 2023

Consumer Appetite for Travel Remains



Despite macroeconomic challenges and the end of 'revenge travel,' many continue to prioritize travel, placing a high value on experiences and memory-making. As travelers seek further discovery and connection, international travel continues to grow.

Travel Mindsets & Motivations Evolve



While price remains top of mind during the booking process, new lifestyles and expectations are shaping traveler decisions. Traveler considerations include: wellness, sustainability, 'bleisure occasions,' & connection to content / culture.

Loyalty Programs Are Prioritized



In the age of option overload, building strong direct relationships with consumers to encourage repeat business is crucial for travel brands. Brands are launching, revamping, and emphasizing their loyalty programs to build brand affinity and constant consideration.

Portfolio Diversification Strategies Arise



The devastation caused by the pandemic has resulted in many brands taking steps to future-proof their businesses. Revenue diversification strategies vary but include creating offerings across price tiers, development on of mixed-use spaces, and fintech investments.

BRANDS ACROSS TRAVEL SUB-CATEGORIES ARE Focused on Fueling Sustained Travel Demand

Airlines

Despite persistent inflation and labor shortages, **domestic airline volumes surpassed pre-pandemic equivalents** over the summer. Airlines invested in new or updated routes and are catering to growing appetites for 'bleisure' and international travel.

14M

travelers expected over 2023 Labor Day Weekend, fueling the busiest summer on record¹

Cruises

2023 is the year of the cruise comeback, as the sector experienced **record booking numbers and occupancy numbers** at increased prices. Cruise lines are investing in new routes and ships, and responding to new wellness, sustainability, and entertainment expectations.

\$35.9B

expected cruise worldwide market revenue in 2027 (+101% from 2022)²

Hotels & Lodging

As this sector adjusts to more leisure or 'bleisure' occasions, **occupancy rates are almost on par with pre-pandemic numbers**. Areas of focus include: providing midscale and economy offerings, investment in tech, and building loyalty amid continued rise of short-term rentals.

3 in 4

summer travelers are strictly sticking to hotels versus private accommodations during marquee trips³

Destinations & Tourism Bureaus

As discovery & connection continue to be travel motivators, **this sector is focused on promoting the unique benefits and offerings of their location**. Many are looking to inspire bookings via connections to pop culture and traveler passion points.

64%

of global travelers agree that they have been inspired to travel to a destination after seeing it featured on a TV show, news source, or movie⁴

OTAs & Websites

OTAs and Travel Websites **saw continued growth as U.S. travelers searched for budget-friendly options**. Brands have focused on updating their loyalty programs to deliver value, as well as quickly adopting GenAI practices to personalize and curate travelers' experiences.

4 in 5

travelers visit an OTA at some point before making a travel purchase⁵

MARKETPLACE PARTNERSHIP EXAMPLES

How Our Partners Are Evolving Their Media Strategy & Storytelling



Emotional & Inclusive Storytelling

Expedia uses inclusive storytelling for both English & and Spanish language creative meant to inspire travelers to overcome barriers to create new memories and realize their travel dreams.

Booking.com



Sparking Travel with Sports Sponsorship

Booking.com became the Official Online Travel Partner of Major League Baseball, making it easier for baseball lovers to plan and book their baseball-inspired travelers.



Generating Custom Content via GenAI

Virgin Voyages launched “Jen AI” campaign, allowing travelers to use generative AI to create custom invitations from Jennifer Lopez to send to friends and family.

Hilton



Creating Impact with Influencers

Hilton Hotels & Resorts partnered with Paris Hilton and well-known influencers to create a 10-minute clip on TikTok’s platform, inviting Gen Z to get comfortable and “Stay a While.”

Looking Ahead

KEY INDUSTRY TRENDS TO WATCH



LOOKING AHEAD

Key Travel Trends & Emerging Sub-Categories We Expect to Influence Marketing & Media Strategies



Anticipating a
Business & Beyond Borders Boost



Building
Back Better



The Pursuit of
Sustainable Travel



A Focus on
Travelling 'Well'



Balancing
Tech & Touch



Emerging Sub-Categories & Brands:
**International Airlines, Luxury & River Cruises,
Experience & Event Led Tourism**

Anticipating a Business & Beyond Borders Boost

While domestic leisure has fueled industry recovery to-date, brands prepare for a boost in business and international travel.

While the shape of business travel recovery is debated, there have been some positive signs in 2023. Business travel decision-makers have a more positive outlook than employees overall, and conferences & events are expected to be popular draws.

International travel is gaining momentum as borders have reopened and Americans embrace global mobility. 2022 was the most active year of U.S. passport issuance ever.¹

Sources: 1 [NPR](#); 2. [U.S. Travel Association](#); 3. [International Trade Administration](#); 4. [U.S. Travel Association](#)

U.S. Business Travel Spending Forecasts²
\$ Billions (USD)

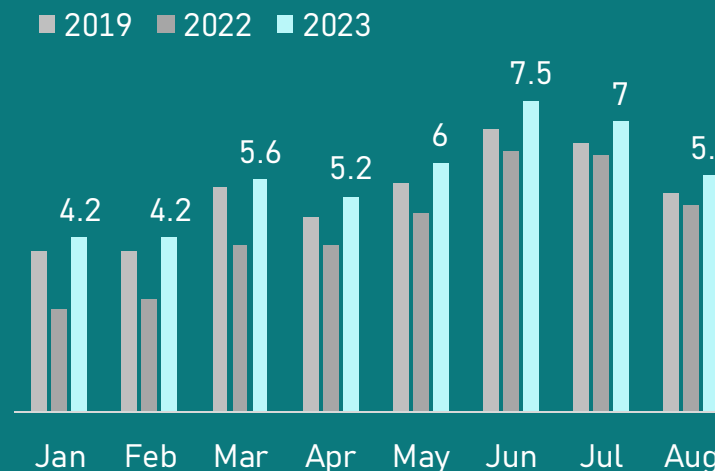


"On corporate, we expect steady improvement in demand. Our recent corporate survey shows businesses expect to increase travel in the second half of 2023."⁴

Ed Bastian

Delta Airlines, CEO

U.S. Citizen Departures to International Regions³
Millions (# of Passengers)



"Overall, our domestic margins are now back at 2019 levels while our international margins are trending well above where they were in 2019... We're leaning into global long-haul environment because that's where we think the revenue is right now."⁴

Scott Kirby

United Airlines, CEO

Building Back Better

Travel brands are expanding and evolving their offerings to grow revenue streams and help protect their businesses post-pandemic.

Brands are exploring new business ventures to drive growth and provide a better experience to customers. Strategies vary but include offerings across price tiers, new market expansions, fintech investments, adjacent business models etc.

"By enabling guests to choose a Hyatt hotel in new markets, we grow brand loyalty without intra-brand competition."¹

Dan Hansen

Global Head, Hyatt Studios

ALL NEW Services & Options

Airbnb launched its **new Rooms offering**, in which guests book a private room on a property, to offer alternatives for cost-conscious travelers²

ADJACENT Business Models

Uber began **displaying video ads across its various service apps** and in-car tablets, moving beyond their primary ride hailing and food delivery business³

CONNECTING THE Dots Across Travel

Booking.com announced their plans to **launch a co-branded credit card in the U.S. market**⁴

EXPANDING Into New Markets

Hyatt announced **Hyatt Studios, aimed at offering affordable long-term stays** and becoming the company's first foray into the upper-midscale market in the Americas⁵

The Pursuit of Sustainable Travel

As consumers' concern for climate change grows, travel brands prioritize end-to-end sustainability initiatives.

A heightened focus on sustainable travel means brands across travel sectors are investing in & promoting initiatives that lower carbon emissions, reduce waste, safeguard destinations and natural attractions to reduce etc.

90%

of travelers want more sustainable travel options.¹

76%

of executives want to increase sustainable corporate travel choices, even if it costs more.¹

Sources: 1. *Journey to Clean*; 2. *Carnival*; 3. *United*; 4. *Hilton*



“ ”



Carnival Cruise Line, Bacardi, and Ecospirits Partner to Reduce Single-Use Glass at Sea: First-of-its-Kind Partnership Introduces Eco-Friendly Closed Loop Packaging to Cruise Industry.²



“ ”



United Airlines Rallies Businesses and Consumers with New, First-of-its-Kind \$100+ Million Sustainable Flight Fund.³



“ ”

Hilton

Hilton to Install Up to 20,000 Tesla Universal Wall Connectors to 2,000 Hotels, Creating the Largest Overnight EV Charging Network within Hospitality Industry.⁴

A Focus on Travelling 'Well'

Brands, especially hotels, and destinations bring their wellness story to life as the connection between travel and wellbeing grows.

As 'feeling good' is increasingly viewed as a necessity and not a luxury, wellness is increasingly being embedded into travel experiences.

Brands are catering to traveler physical, mental, and emotional health demands by investing in wellness-oriented offerings across fitness, spas, meditation, food, nature etc.



57%

of global travelers plan to take extended vacations to focus on wellness¹



60%

of GenZs/Millennials are looking to stay at hotels with a spa¹



75%

of global travelers are planning to decrease screen time while traveling to better their mental health¹

Balancing Tech & Touch

Brands balance elevating the consumer journey with tech-enabled touchpoints, while maintaining a human connection.

Mobile apps, online chatbots, onsite kiosks and other tech-enabled touchpoints are commonplace, as travelers seek more seamless and personalized experiences.

Widespread integration of generative AI tools into travel pricing, customer service, marketing etc. will likely have a big impact on the industry, but also force brands to consider how and where to include that irreplaceable human touch.

Tech-enabled Touchpoints Across the Traveler Journey

Checking Out:

Self-service kiosks and key drop-offs are rising in availability

Onsite & In-Room:

Smart-TVs and other enhanced in-room tech amenities are rising in adoption

Planning:

Travel websites offer built in AI trip planning features based on traveler interests & preferences



Booking:

Virtual travel assistants are available to answer questions or assist in the booking process

En-Route:

Self-service portals help manage trips and provide real-time updates leading up to departure

Checking In:

Self-service kiosks are often available at hotels, cruises, and airports

41%

of U.S. adults are interested in AI-powered flight and hotel accommodations.¹

*"People are searching for the most convenient, but also the most logical solutions to their problems – they want to adopt digital efficiencies to expediate transactional activities but also crave personalized interactions for situations that call for a human perspective and action."*²

Chris Silcock

HILTON, EVP & CCO

Hilton

EMERGING SUBCATEGORIES

International Airlines, Luxury & River Cruises, and Hotels & Resorts are driving significant category growth

International Airlines



Airlines servicing multiple regions of the world are coming to the forefront as international travel continues to rise.

Why to Watch

\$841B Projected 2023 Global Airline Market Size (+7% YOY vs. '22)¹

60% of travelers expect to travel more internationally in 2023 vs. 2022²

Brands to Watch

Frenchbee

BRITISH AIRWAYS

Emirates

SINGAPORE AIRLINES

Luxury & River Cruises



River cruises allow passengers to see destinations inaccessible to larger ships. Luxury Cruises are rising in prevalence as consumers desire high-end experiences.

Why to Watch

\$431M Projected 2030 U.S. River Cruise Market Size (CAGR 20.8% '23 to '30)³

1.5M Projected Luxury Cruise Travelers in 2030 (+150% versus 2019)⁴

Brands to Watch

AMAWATERWAYS

SILVERSEA

AVALON WATERWAYS

VIKING RIVER CRUISES

Regent SEVEN SEAS CRUISES

Experience & Event-Led Tourism

Travelers are prioritizing experiences and events, leading brands with this core business focus to come to the forefront and meet this need.

Why to Watch

22% of travelers prioritize pre-booked tickets for attractions/experiences

19% of travelers prioritize one-of-a-kind destination experiences

Brands to Watch

GREAT WOLF LODGE.

GET YOUR GUIDE

G Adventures

MSG SPHERE

EpCo

ISLANDS OF ADVENTURE

SUMMARY

Key Travel Trends We Expect to Influence Marketing & Media Strategies

**Anticipating a Business & Beyond Borders Boost**

While domestic leisure has fueled industry recovery to-date, brands prepare for a boost in business and international travel.

**Building Back Better**

Travel brands are expanding and evolving their offerings to grow revenue streams and help protect their businesses post-pandemic.

**The Pursuit of Sustainable Travel**

As consumers' concern for climate change grows, travel brands prioritize end-to-end sustainability initiatives.

**A Focus on Travelling 'Well'**

Brands, especially hotels, and destinations bring their wellness story to life as the connection between travel and wellbeing grows.

**Balancing Tech & Touch**

Brands balance elevating the consumer journey with tech-enabled touchpoints, while maintaining a human connection.

**Emerging Sub-Categories & Brands**

International Airlines, Luxury & River Cruises, and Experience & Event Led Tourism

The Power of Advertising

& MEDIA TRENDS TO WATCH



TRAVEL

Maintaining Advertising Spend Is Critical for Sustaining Demand for Travel Brands, Especially for Global Airlines

Across 170
global airlines analyzed...

The **consumer consideration** for airlines that **decreased ad spend**

declined 3x

as much* as airlines that maintained or increased ad spend



TRAVEL Media Trends to Watch

Travel category spend continues to rebound, largely surpassing pre-pandemic levels, especially from Cruise and Travel Websites. As advertisers adjust to the new normal, digital channels are receiving nearly driving growth, particularly Social and Shortform video as brands prioritize performance.

Digital Channels DRIVE SPEND GROWTH

90%

As the travel category ad spend continues to trend upwards (+19% in 1H 2023), **90% of the growth came from digital channels.**¹

LEADERS & LONGTAIL Forces at Work

52%

Nearly half of the total category spend comes from the top 20 spenders in 1H 2023. While concentrated at the top, there is a long tail of over 527 advertisers spending \$500K+.²

PRIORITIZING PERFORMANCE VIA Social & Shortform

As brands focus on driving performance and converting demand social & shortform have taken up more of the media mix.

Social spend is up 31% in 1H compared to last year, while spend **on Shortform video is up 48%.**¹

Cruise & Travel Website SPENDS SURGE

120%+

Dramatic increased spend coming from Cruise and Travel Websites is shaking up the landscape, up 120% and 124% in FY '22 compared to '19, respectively. Both are further outpacing '22 through 1H '23.¹

Partnering with NBCU

CATEGORY PERFORMANCE, STRATEGIC CONSIDERATIONS
& PARTNERSHIP EXAMPLES



TRAVEL

Proven Impact Across the Full Funnel



BUSINESS OUTCOME

NBCU TRAVEL CAMPAIGNS – Test vs. Control

Brand
(Upper Funnel)

Brand
Familiarity
+7%

Ad
Recall
+17%

Brand
Favorability
+7%

Brand
Consideration
+13%

Performance
(Lower Funnel)

Site
Visitation
+32%

Purchase
Intent
+12%

Source: NBCU Ad Impact Database 2017–2022, 13 Brand Impact, 3 Attribution NBCU measured Travel campaigns
Custom research, vendors vary. Average of exposed vs. control cells for NBCU. Top 2 box;

Campaigns Across More Than One Platform Are More Effective

Travel Category NBCU Campaigns: Multi-Platform vs. Single Platform
% LIFT



+74%

Ad
Recall



+12%

Brand
Favorability



+12%

Brand Consideration



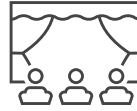
+36%

Brand
Recommendation

Strategic
Considerations for

Driving Growth for Travel Brands

Spark Interest & Inspire Planning via High Impact Environments



Why

As the travel booking process continues to be dynamic, brands need to be top of mind and create an emotional connection with audiences earlier in their planning journey.

How

Utilize high reach and trusted, high impact content environments & events to inspire and motivate travel planning all year long.

Reinforce Relevancy through Passion Point Content



Why

As the travel landscape has become more competitive, passion points and cultural events have become key connections points and travel motivators.

How

Leverage lean-in tactics, like passion point content and influential talent, to communicate your unique approach to decision drivers like wellness, sustainability, cultural connection, culinary experiences etc.

Foster Loyalty by Engaging Strategic Audiences



Why

Changing travel behaviors have heightened the need to reinforce brand messaging with high-value audiences to build loyalty.

How

Connect with strategic travel audiences and move them down the purchase funnel using data signals, targeting capabilities, and contextual alignment.

Prompt Discovery & Bookings via Interactive Experiences



Why

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

How

Leverage actionable content and commerce opportunities that fuel discovery, provide education, and trigger consumer behavior.

NBCU solutions
for delivering

Brand & Business Impact for Travel Brands

SCALE

Spark Interest & Inspire Planning via High Impact Environments

Brand Safe, Premium Content



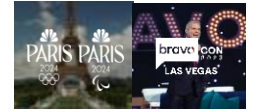
Sports



Lifestyle, Entertainment, Multicultural



Peacock Originals



Cultural Events

Reinforce Relevancy through Passion Point Content



Culinary Moments



For the Love of the Game



Moments that Matter



Location, Location, Location

Foster Loyalty by Engaging Strategic Audiences



Leverage data and targeting solutions to build meaningful connections at scale and drive measurable impact

PRECISION

Prompt Discovery & Bookings via Interactive Experiences



Ad Innovations | Commerce Solutions | Actionable Ad Formats

NBCUNIVERSAL PARTNERSHIP EXAMPLES

How Our Partners Are Evolving Their Media Strategy & Storytelling



Tapping into IP & Talent

For the first time ever, **Celebrity Cruises** set sail w/ *WWHL* to film an episode aboard the Celebrity Beyond to help promote the launch of this new vessel. The show welcomed all 5 *Below Deck* Captains, as well as Celebrity Beyond's Captain Kate.



Connecting Across Platforms

Hilton expanded their *Project Runway* partnership across platforms with a billboard during a segment of *TODAY with Hoda & Jenna*, a clip showing fans how to style vacation getaways during *Project Runway*, and a custom Peacock Pause Ad reinforcing Hilton's "It Matters Where You Stay" tagline.



Telling Your Story Beyond Borders

Delta partnered with *Top Chef* to transport cheftestants to London for the season. Delta also integrated into the season finale, hosted in Paris, which included a quickfire challenge with Olympic athletes that kicked off the road to the Paris 2024 Olympics.



Embracing Multicultural Storytelling

Expedia leveraged a sponsorship of the *Latin Billboards* to debut their first campaign focused on reaching the U.S. Latino traveler. The campaign included in-show integrations from the red carpet to the main show along with social posts promoting the event.

2023 Travel Industry Assessment

NBCUniversal

NBCU TRAVEL CLIENT STRATEGY TEAM:
Caitlin Collins, Nick Cafiero, Ben Cohen, Daniela Diaz

