2023 TRAVELLER VALUE INDEX

The gap between traveller expectations and industry perceptions

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A NOTE FROM OUR PRESIDENT

Travel is a force for good—it broadens horizons and bridges divides. It creates connections and jobs around the globe. Our industry has never been more important to the world.

To help you, our partners, build your businesses and delight travellers, we invest in market-leading research to understand travellers' needs and preferences.

You have always wanted to know as much as you can about travellers, your market and the industry changes that impact your business. In mid-2020, this need for information and data was even more urgent. Since the beginning of the pandemic, we've shifted our research strategy to give you in-depth and current insights on emerging traveller behaviours and expectations resulting from the extraordinary circumstances of 2020.

Now, as travel returns throughout much of the world, we've examined which changes are permanent shifts—and which are temporary. For the first time, we've asked both travellers and industry professionals, like you, to weigh in. The results paint a picture of where the industry and travellers see things the same way, and where there are disconnects—and therefore opportunities—to better understand each other. Ultimately, we hope these insights are useful to you as you welcome and service travellers—because when the traveller wins, we win together.

We're all evolving with the rapid changes in travel behaviour. And as we continue to do so, I'm confident that there is a bright future ahead for travel.

Ariane Gorin
President, Expedia for Business
Expedia Group

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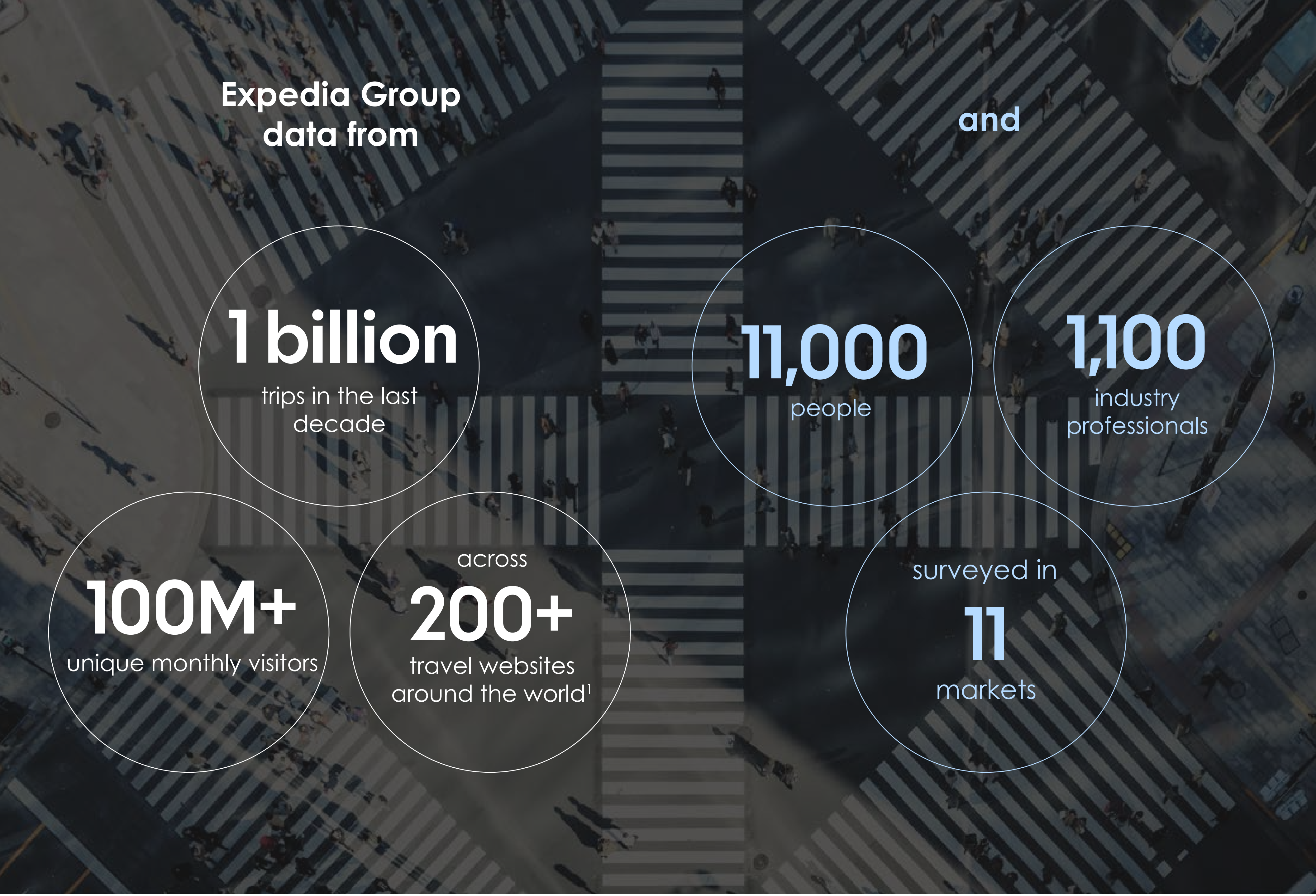
OVERVIEW

In previous research, you've heard directly from consumers about their travel activity and their expectations for their travel experiences. In this report, we also wanted to hear from travel professionals—the hotel and holiday rental owners, airline revenue managers, destination marketers, travel loyalty programme managers and others around the world—who have kept the industry humming.

How do you, your peers and the broader industry perceive different challenges and opportunities? Has your business recovered from the pandemic only to now be navigating challenges that come with inflation? How have you pivoted your approach to the travel experience you provide? How do your travellers perceive that experience?

To answer these questions and more, we partnered with Wakefield Research to conduct a study that included both consumers and industry professionals. We then paired those insights with first-party data from across our travel marketplace.

What emerges is a snapshot of today's traveller preferences—what has been permanently changed by the pandemic, what were temporary reactions and what is still evolving. Despite lingering staffing and service challenges and newer concerns around inflation, there is reason to be optimistic. People see travel as an important priority in their lives, business and international trips are resuming and those of us in travel are working together to deliver great traveller experiences.
The future is bright.



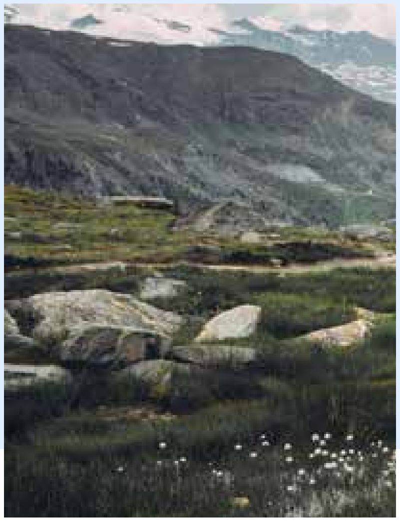
[1]Expedia Group, 2022

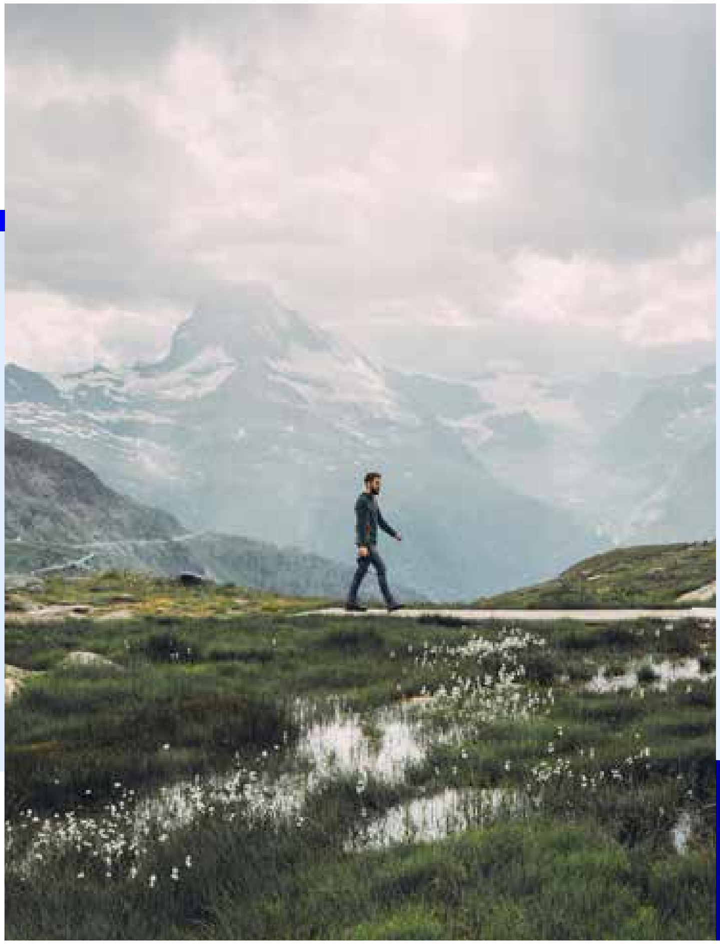
03

PERMANENT PREFERENCES

The pandemic forced us to shift gears—whether as travel providers or as travellers ourselves. People are more hesitant to commit to plans and have heightened expectations of travel experiences. The industry has yet to fully recover from staffing and supply chain challenges.

As we look beyond the pandemic, what traveller behaviours are here to stay?





1.

Absence made the appetite for travel stronger

Not being able to travel reminded us all of how important it is—for connecting with friends and family, for relaxing and for exploring new places and cultures. As travel reopened, people were eager to make up for lost time. Though many resumed some regular travel in 2021, the desire to travel continues to increase as we head into 2023.

Nearly half (46%) of people say that travel is more important to them now than it was pre-pandemic.

And they're putting their money where their mouth is: while 31% say their travel budget will be the same as it was last year, 43% are upping their budget for the coming year.

The amount that people travel is also increasing: 79% say they plan to take a leisure trip in the next year, up from 76% just a few months prior, with the average person saying they plan to take two leisure trips.[2] This demand is reflected in data from across our travel websites as well.

During the second quarter—between April and June 2022—lodging bookings were the highest in Expedia Group's history: gross bookings were up 8% from the second quarter of 2019.[3] Holiday rental demand in 2021 surpassed 2019 numbers and continues to grow. In 2022, demand for all lines of lodging, transportation and activities has been consistently higher than 2021.[4]

[2]Expedia Group, Traveller Value Index: Spring 2022 Outlook

[3]Expedia Group, Q2 Earnings Release, May 2022

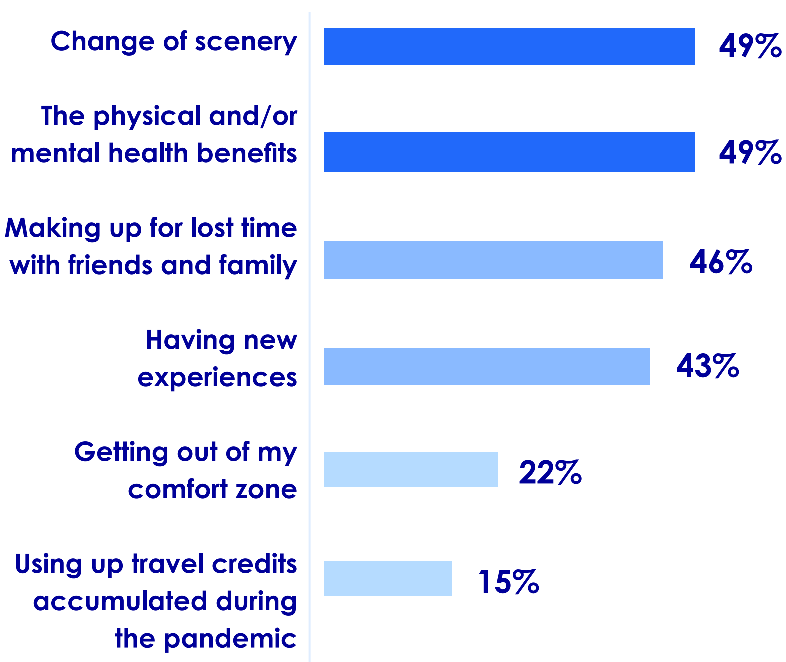
[4]Expedia Group, global bookings by line of business, January 2019 to September 2022

Our search data gives us a good indication of what is to come as well. Traveller searches for hire cars and holiday rentals on our travel websites were above 2019 search volumes in the first three quarters of 2022, and searches for cruises and activities saw the highest percent growth year over year, compared to lodging and other methods of transportation.[5]

As people have resumed travelling, their first priority has often been to reunite with friends and family. In earlier research, when we asked about reasons for travel, time with friends and family was at the top of the list.

Over 2022, additional reasons for travel emerged. Today, many want to prioritise relaxation, wellness and new experiences. To cope with the world around us, self-care is now non-negotiable.

Since the start of the pandemic, which of the following have become more important when consumers make travel decisions?



Travel allows us to invest in our mental and physical well-being and go on new adventures.

The motivations for travel may vary by individual, but the trend is clear: people value travel more than ever before and will continue to make time and save money for it.

[5]Expedia Group, global bookings by line of business, January 2019 to September 2022

2.

Travellers will vote with their values

Travellers weigh up many variables when they are booking elements of a trip: price, convenience, safety, flexibility and more.

Even though the importance of each factor fluctuated during the pandemic, one thing hasn't changed: travellers prefer to book with providers that align with their personal values.

Adding to the pressures caused by the pandemic, communities around the world are navigating complex and challenging social and political issues—the severity of which seems to have increased over the last few years. One in four consumers say that political instability is impacting their travel plans in the next 12 months, with this felt most strongly by those in Germany and South Africa.

An outcome of this turmoil: your company's mission, values and stance on certain issues play a role in whether travellers want to book with you. Certain factors, like price, may have more of an impact on traveller decision-making. However, when it comes down to it, whether a brand aligns with their personal values or not can be a dealmaker (or breaker) for many people.

70%

of consumers say yes[7]

Would people choose a travel destination, accommodation or transportation option that was more inclusive, even if it was more expensive than other options?

64%

of industry professionals say yes

The importance of inclusion

Travel connects us; it breaks down borders. Inclusive travel means making travel accessible to people of all abilities, backgrounds and identities.

Our research over the last few years repeatedly shows that people are seeking out businesses that are welcoming and accessible: 70% of people say they are more likely to choose travel options that are more inclusive, even if that comes at a higher cost.[6] Industry professionals acknowledge this preference, with 64% indicating that they believe their customers will choose travel options that are more inclusive, even if they are more expensive.

Nearly eight out of ten (78%) people say they have made a travel choice based on promotions or adverts that they feel represent them through messaging or visuals. For millennials, that figure is even higher—84% have made a travel choice based on representation in advertising.[8]

Despite this, only half (52%) of consumers see options that are inclusive for all types of travellers when booking a trip, demonstrating an opportunity for those in the travel industry to fill this gap.[9] Travel businesses that don't prioritise inclusive practices may lose travellers from key demographics. Many say they are taking action: three in five organisations (60%) made changes in the last year to ensure that their services are inclusive and accessible, and an additional 21% have plans to do so.

[6-9] Expedia Group Media Solutions, Inclusive Travel Report 2022

‘You are the **intersection** of culture and commerce, whether you are aware of it or not. Your open doors are not just to your home or your property, but also to the **experiences and cultures** that everyone who comes through your doors is bringing with them at any point in time’.

Evita Robinson
NOMADNESS Travel Tribe
Vrbo Virtual Partner Summit, 2022

Spotlight on sustainability

Similarly, sustainable travel is top of mind as travel returns to—and in some cases and places, surpasses—pre-pandemic levels. How can those of us in the industry help people travel responsibly?

According to our recent Sustainable Travel Study, **90% of consumers are looking for sustainable options when travelling.**[10]

Data from reviews across our traveller brand websites show terms related to sustainability and eco-friendliness being mentioned twice as often in January 2022 as they were in January 2021.[11]

People value these options during their trips. Half are willing to pay more for transportation, activities and lodging if the option was more sustainable, though many agree that it costs too much to be more sustainable when travelling. Even though some people may not want to compromise on cost, more say they are willing to sacrifice convenience and comfort if they know they are making decisions that are ultimately better for our planet.[12]

If you offer sustainable options, activities or amenities, make sure to let travellers know: two in three consumers want more sustainability information from lodging and transportation providers to help them make informed decisions—a clear opportunity for travel businesses.[13]

[10, 12-13] Expedia Group Media Solutions, Sustainable Travel Study, 2022
[11] Expedia Group, traveller reviews data, January 2021 to January 2022

Sustainability is also a priority for the industry. In fact, it is tied with marketing as the highest area of investment for 2023, with one in five industry professionals saying sustainability will be their top investment priority next year.

Types of sustainability information consumers want to see during their trip-planning process.[14]

- Recommendations for locally-owned businesses/restaurants
- Transportation options with lower environmental impact
- Information on how to best engage with local cultures and communities
- Environmentally conscious lodging/accommodations
- Recommendations for destinations that support indigenous cultures and heritages

The top five most prominently mentioned sustainability-related amenities in traveller reviews:[15]

1. **Electric car charging stations**
2. **Solar energy**
3. **Recycling**
4. **Elimination of single-use plastics**
5. **Eco-friendly LED lighting**

[14]Expedia Group Media Solutions, Sustainable Travel Study, 2022

[15]Expedia Group, traveller reviews data, January 2022 to September 2022

Businesses in the travel space should continue to invest in inclusive and sustainable practices—to both attract today's travellers and protect travel for generations to come.

What is your organisation doing currently?

- **39%** Reducing our overall environmental impact
- **38%** Offering options for buying carbon offsets/carbon offsetting
- **41%** Working directly with and promoting local businesses
- **42%** Working directly with and promoting local cultures/communities
- **47%** Adding or updating offerings to be more inclusive
- **45%** Improving our accessibility
- **1%** None of these

‘Every industry player needs to be thinking about how to put the **local community first**. If we do that, we’re going to see some progress towards **long-term sustainability’**.

Peter DeBrine
UNESCO
Powering Travel Expedia Group Podcast, 2022

3.

Despite fewer barriers to travel, travellers continue to demand flexibility

In all its waves, COVID-19 made it challenging for the public and industry professionals alike to predict how travel will change in the coming months—and coming years.

Many travel providers implemented more flexible rates and reservation policies to adapt to unpredictability and to give travellers the assurance to book.

In our research, **nearly all organisations (96%) say that they offer refundable services or credits**—with most of them (77%) first introducing some of their refundable offerings because of the COVID-19 pandemic.

In addition to the increase in demand, there are other signals that people feel more confident booking travel in the current environment. They are comfortable booking five months in advance on average, up from the four months reported in April 2022 research.[16]

Last year, we introduced the Traveller Value Index, a measure of what consumers value when booking travel. We found that consumers valued full refunds and enhanced cleaning practices above all other travel considerations—even price.[17]

Despite increased confidence, people still want to see flexible options. In our latest research, the desire for enhanced cleaning practices dropped in the ranking.

However, the importance of refunds remains, ranked second behind pricing.

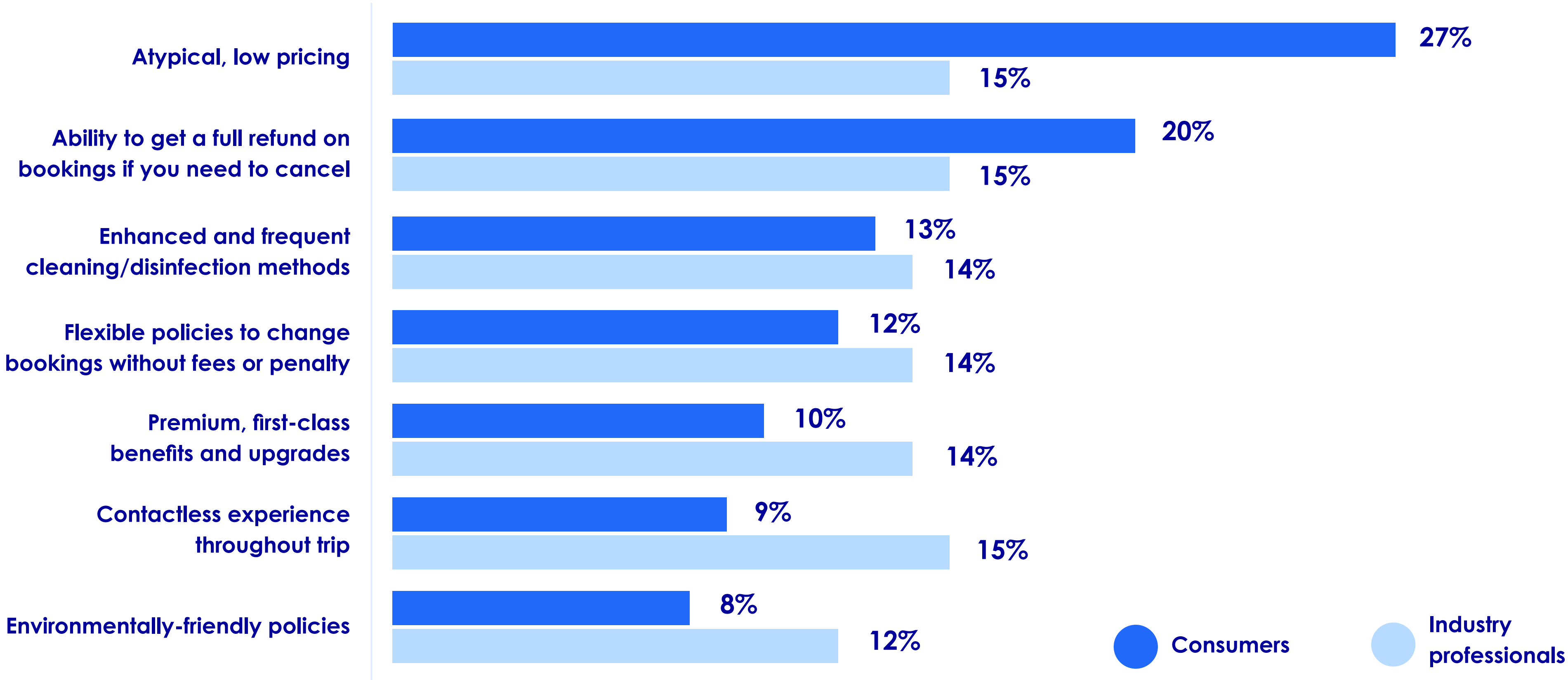
Being able to change bookings without a fee or penalty, another way to provide flexibility to travellers, was again ranked in the top four values by consumers, demonstrating the importance consumers place on options to easily adjust their travel plans.

Our annual Traveller Value Index shows how consumers rank the following:

- **Ability to get a full refund on cancelled bookings**
- **Atypical, low pricing**
- **Flexible policies to change bookings without fees or penalty**
- **Enhanced and frequent cleaning/ disinfection methods**
- **Contactless experience throughout trip**
- **Premium, first-class benefits and upgrades**
- **Environmentally-friendly policies**

[16]Expedia Group, Traveller Value Index: Spring 2022 Outlook
[17]Expedia Group, Traveller Value Index, 2021

What is the #1 consideration that people value most when booking travel?



In this research, we also asked industry professionals what they thought consumers valued most. On average, industry professionals say that consumers value these considerations more or less equally—but consumers had clear preferences.

Industry professionals rank refunds as important to consumers, although they are underestimating how important this is. While nearly all industry professionals we surveyed say they currently offer refundable services, credits or other flexible options, only 63% said they would continue to provide these moving forward. While some in the industry may wonder if travellers' desire for flexibility will wane post-pandemic, our research shows otherwise.

Those who have reverted or are considering reverting to strict policies may lose out. Around half of consumers say they would never book non-refundable lodging (47%) or transportation (51%) domestically, even if it was discounted. Even more would refuse non-refundable lodging (57%) and transportation (59%) when travelling internationally.

The preference for flexible travel options increased at the beginning of the pandemic and has not waned—showing up consistently year over year and month over month in our research. Along with the previous two trends, we expect this to be a permanent shift in traveller expectations—lasting beyond the pandemic itself.

04

TEMPORARY TRENDS

Not all pandemic pivots are permanent—some are temporary responses to an extreme situation.

The pandemic has evolved. Vaccines have become available, most countries have reopened and businesses have adjusted. Certain changes during the pandemic, like the drop in business and international travel and heightened cleanliness and health standards, will return to pre-pandemic preferences and behaviour.

4.

All eyes on the return of international and business travel

The drastic drop in both international and business travel is temporary. As the world fully opens and companies adopt new workplace policies, the industry can expect a resurgence in both areas of travel in 2023.

A combination of restrictions and consumer hesitancy contributed to less travel abroad. However, the tides are turning towards international travel. About half of consumers are likely to book or have already booked an international trip in the next 12 months—and Gen Zers and millennials are even more likely to do so. This is a considerable increase from last year, and an important signal that this type of travel is returning.

MAY 2020

Only 12% likely to travel internationally in the next 12 months[18]

SEPT 2020

>150 countries remain partially or completely closed to international travel[19]

DEC 2021

>1 in 3 have at least some expectations of booking an international trip in the next 6 months[20]

JULY 2022

1 in 2 likely to book or have already booked an international trip in the next 12 months

[18-19]Expedia Group, What Travellers Want, 2020
[20]Expedia Group, Traveller Value Index: 2022 Outlook

In terms of destinations, travel patterns today closely resemble those from 2019. These were the top 10 destinations for travellers from each super-region in the beginning of 2019. The icon next to a destination denotes when it was outside of the super-region, indicating international travel. People from Latin America (LATAM) were doing more international travel than those from other regions.

Top booked destinations

JANUARY–MARCH 2019

From the US and Canada to...	From LATAM to...	From EMEA to...	From APAC to...
NEW YORK	NEW YORK ✈	LONDON	TOKYO
LAS VEGAS	MEXICO CITY	NEW YORK ✈	HONOLULU ✈
ORLANDO	PARIS ✈	DUBAI	BANGKOK
LOS ANGELES	CANCUN	PARIS	SEOUL
CANCUN ✈	SÃO PAULO	AMSTERDAM	OSAKA
SAN FRANCISCO	ORLANDO ✈	BARCELONA	TAIPEI
LONDON ✈	LAS VEGAS ✈	ROME	SINGAPORE
CHICAGO	LONDON ✈	BERLIN	LONDON ✈
MIAMI	MADRID ✈	TOKYO ✈	HONG KONG
HONOLULU	ROME ✈	ISTANBUL	PARIS ✈

✈ Destination outside of this super-region

Fast forward two years to early 2021 and the picture shifts quite a bit. New destinations appear (noted by the shaded boxes), including more beach locations; however, this primarily shows travel within the same super-region. Travellers from LATAM were still travelling outside of their region more than others, though not quite as far. Travellers from the Asia-Pacific (APAC) region seemed to be doing the least international travel, as that region was the most impacted by the pandemic.

Top booked destinations

JANUARY–MARCH 2021

From the US and Canada to...	From LATAM to...	From EMEA to...	From APAC to...
LAS VEGAS	CANCUN	DUBAI	SEOGWIPO
CANCUN	PLAYA DEL CARMEN	LONDON	TOKYO
ORLANDO	MEXICO CITY	ISTANBUL	SEOUL
MIAMI	HOUSTON	PARIS	BUSAN
NEW YORK	RIO DE JANEIRO	NEW YORK	SYDNEY
MIAMI BEACH	PUERTO VALLARTA	STOCKHOLM	JEJU CITY
HONOLULU	MAZATLÁN	EILAT	SURFERS PARADISE
LOS ANGELES	SÃO PAULO	COPENHAGEN	MELBOURNE
FORT LAUDERDALE	ACAPULCO	GOTHENBURG	SHANGHAI
ATLANTA	SAN ANTONIO	BARCELONA	NAHA

Destination outside of this super-region

Change from 2019

Looking at our latest data, many of those shaded boxes are gone and more icons have reappeared—this list looks a lot like it did in 2019. The change from 2021 for the APAC region is particularly noticeable—from no travel outside of the region in early 2021 to four cities in the US and Western Europe cracking the top ten now.[21]

Top booked destinations

JULY–SEPTEMBER 2022

From the US and Canada to...	From LATAM to...	From EMEA to...	From APAC to...
NEW YORK	MEXICO CITY	LONDON	TOKYO
LAS VEGAS	NEW YORK	NEW YORK	SEOUL
LOS ANGELES	CANCUN	PARIS	SINGAPORE
ORLANDO	SÃO PAULO	DUBAI	LONDON
CHICAGO	PARIS	ISTANBUL	BANGKOK
CANCUN	RIO DE JANEIRO	BARCELONA	SYDNEY
LONDON	MADRID	COPENHAGEN	PARIS
BOSTON	LAS VEGAS	AMSTERDAM	NEW YORK
SAN FRANCISCO	ORLANDO	BERLIN	MELBOURNE
MIAMI	LONDON	STOCKHOLM	HONOLULU

Destination outside of this super-region

Change from 2019

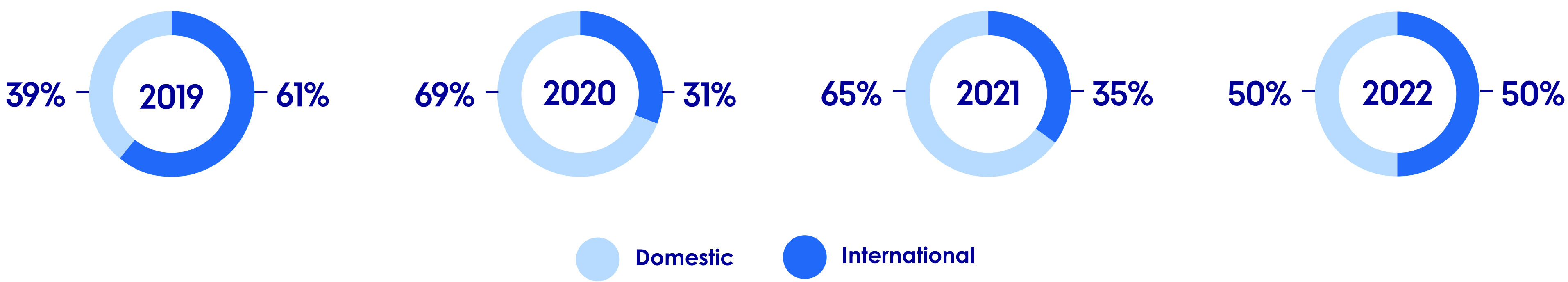
[21]Expedia Group, top booked destinations, January–March 2019 vs January–March 2021 vs July–September 2022

In our research, only 8% of industry professionals say that leisure travel is back to pre-pandemic levels. Those in the hotel (39%) and airline (33%) industries and those from Brazil (21%) are most confident that leisure travel has already returned. However, nearly two thirds (63%) expect it to return within two years. International travel is likely to play a large role in closing that gap, particularly for regions most impacted by restrictions.

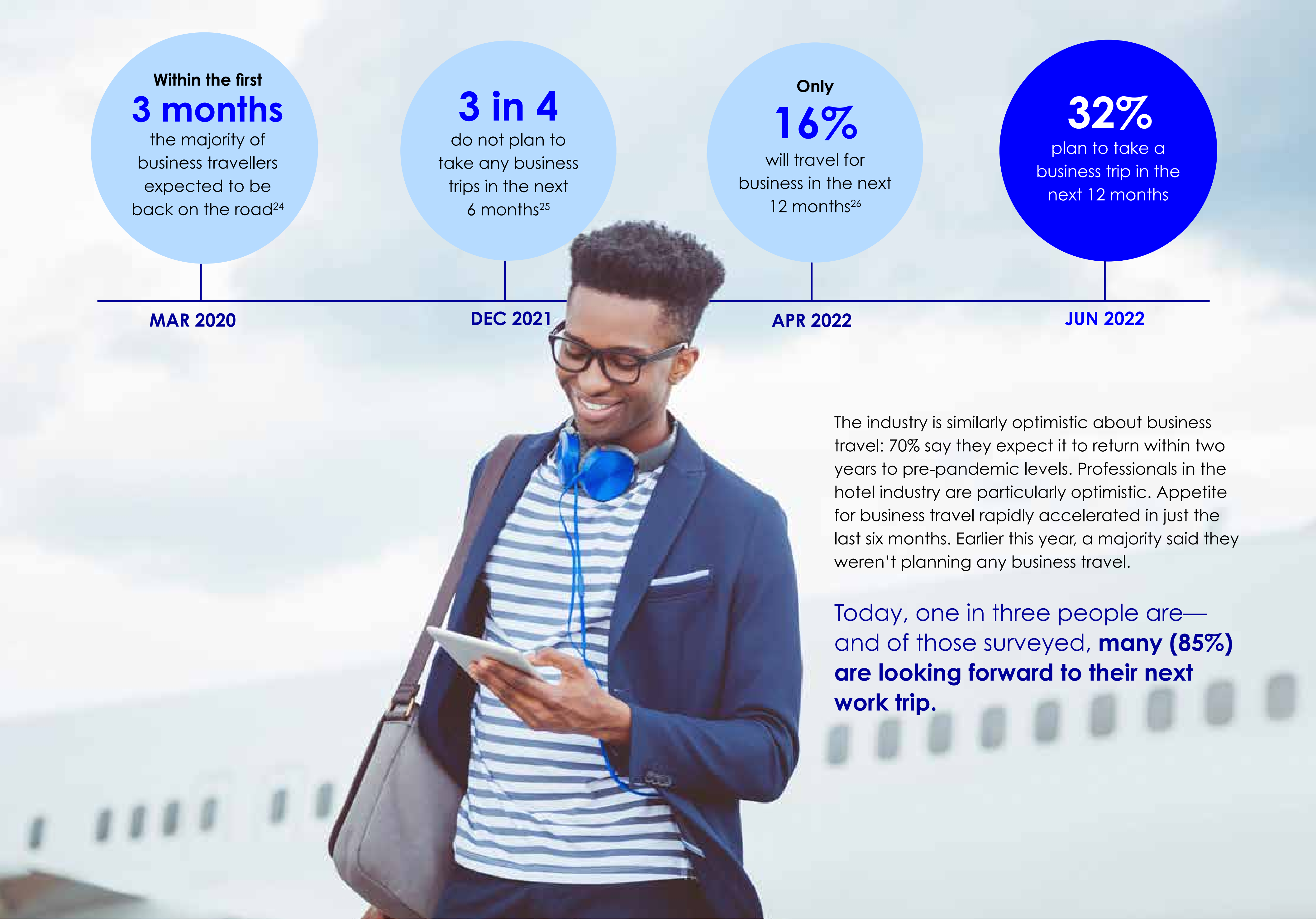
Interestingly, according to our first-party data, international bookings account for half of all package bookings thus far in 2022—also a return to pre-pandemic levels—and 20% of those international bookings come from a mobile device.[22]

International travellers have a lot to plan when travelling—making it easy for them to book multiple elements of a trip at once is a great way to attract them.

Share of package bookings[23]



[22-23]Expedia Group, international vs domestic package bookings, January 2019 to September 2022



Within the first
3 months
the majority of business travellers expected to be back on the road[24]

MAR 2020

3 in 4
do not plan to take any business trips in the next 6 months[25]

DEC 2021

Only
16%
will travel for business in the next 12 months[26]

APR 2022

32%
plan to take a business trip in the next 12 months

JUN 2022

The industry is similarly optimistic about business travel: 70% say they expect it to return within two years to pre-pandemic levels. Professionals in the hotel industry are particularly optimistic. Appetite for business travel rapidly accelerated in just the last six months. Earlier this year, a majority said they weren't planning any business travel.

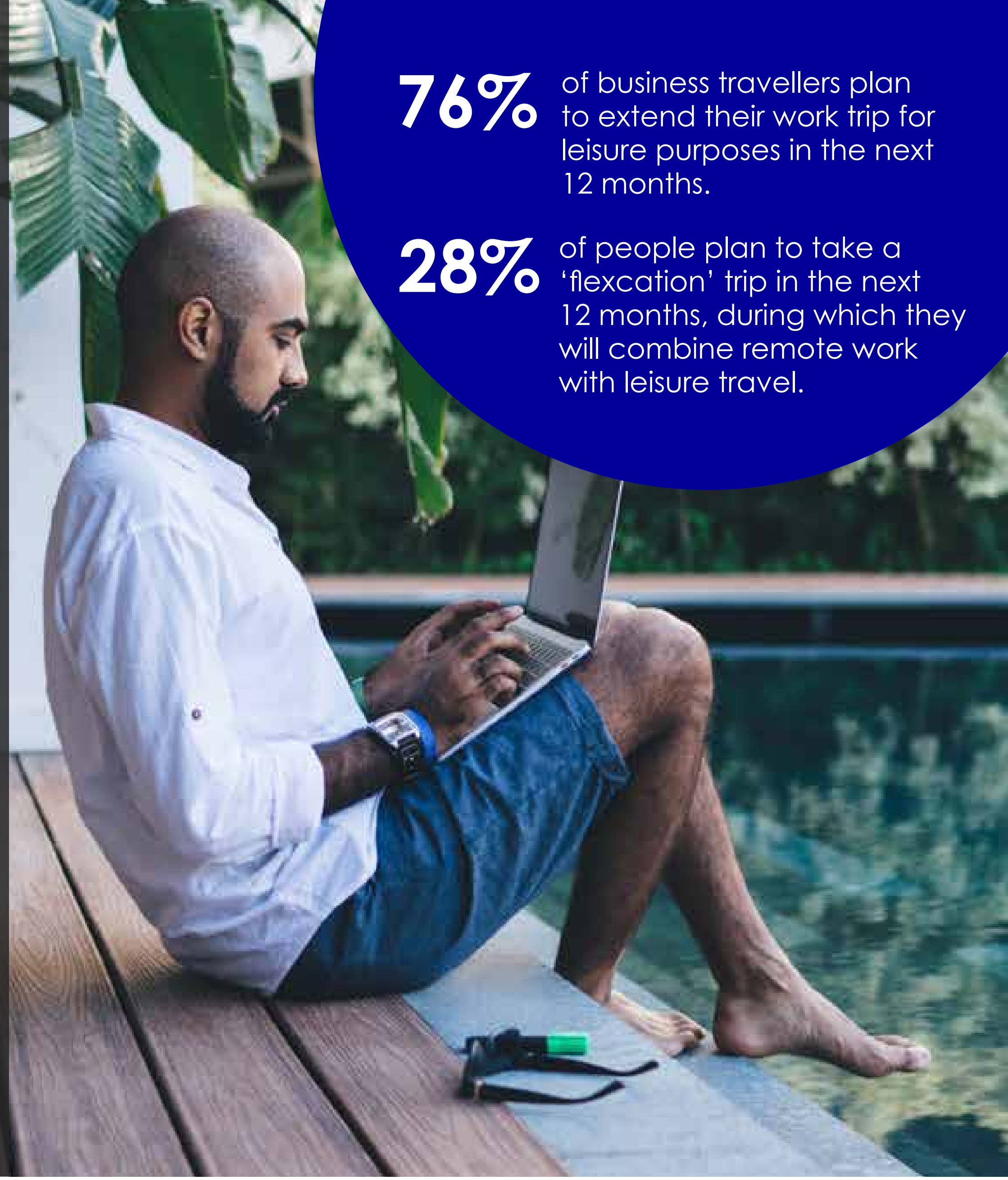
Today, one in three people are—and of those surveyed, **many (85%) are looking forward to their next work trip.**

[24]Expedia Group, What Travellers Want, 2020
[25]Expedia Group, Traveller Value Index: 2022 Outlook
[26]Expedia Group, Traveller Value Index: Spring 2022 Outlook

Like travel, the way we work drastically changed because of the pandemic—perhaps forever. As it returns, business travel may look different than it did before, with employees travelling for different reasons than pre-pandemic. Where we may have travelled for in-person job interviews or big team meetings before, we're more likely to travel to maintain customer relationships and attend industry events. Travellers will also take advantage of more flexible work arrangements to combine leisure and business trips.

Why will consumers travel for business in the next 12 months?

- **37%** To meet and work with customers
- **32%** Industry conferences and events
- **28%** On-site visits and monitoring
- **26%** Internal team meetings
- **17%** To manage mergers and acquisitions
- **16%** To hire, onboard and train new employees
- **17%** Other



76% of business travellers plan to extend their work trip for leisure purposes in the next 12 months.

28% of people plan to take a 'flexcation' trip in the next 12 months, during which they will combine remote work with leisure travel.

The slowdown of international and business travel is a temporary trend—the resurgence of this demand represents the next big bright spot for the travel industry in 2023. Travel professionals say that business travellers (51%) are their organisation's highest priority travellers, followed closely by international travellers (48%) and families (46%).

5.

Travellers’ need for extremely clean is waning

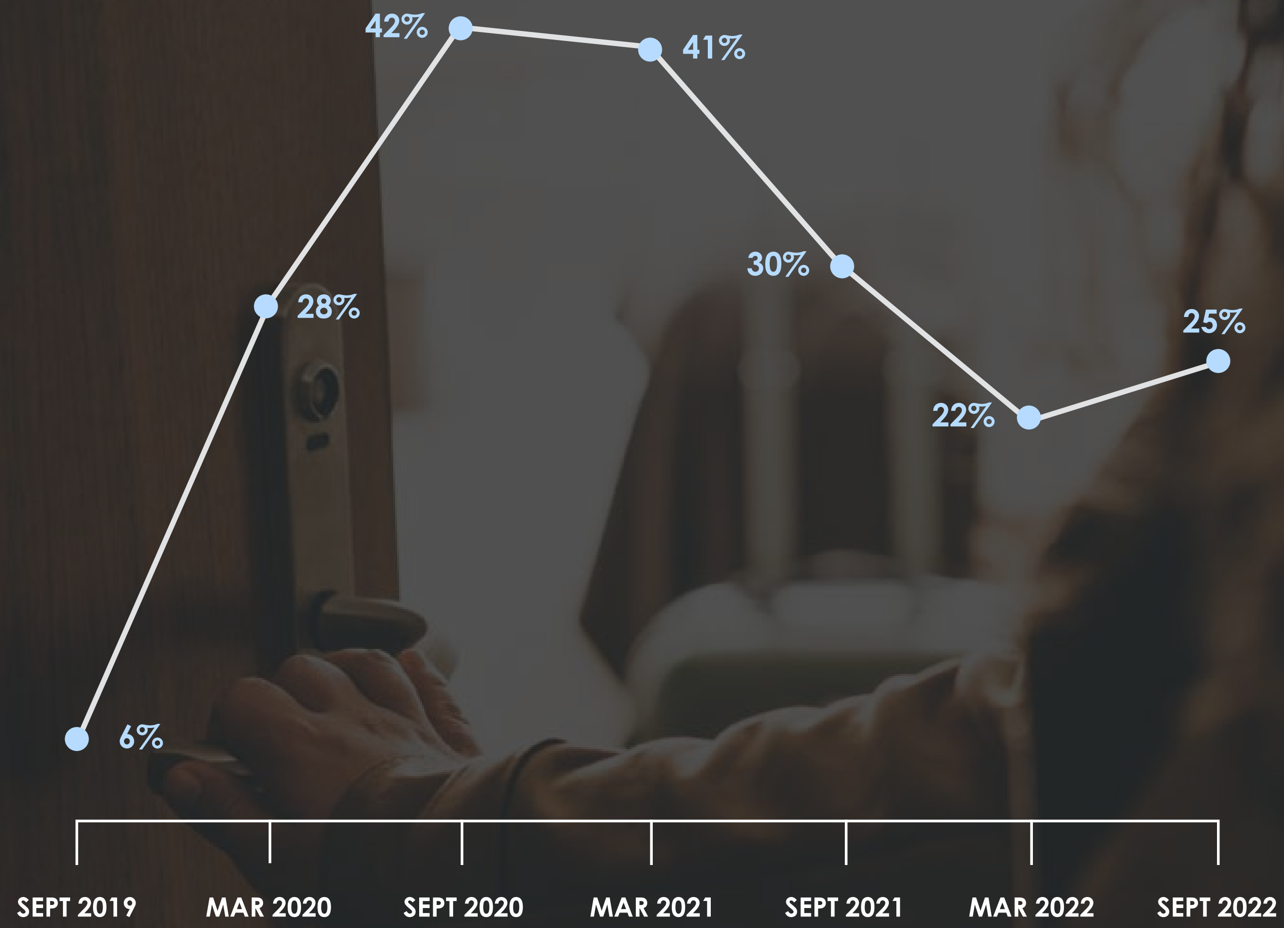
In our research throughout 2020 and 2021, travellers valued their personal health and safety above all else when booking travel. However, a noticeable shift occurred once vaccines were widely available. While cleanliness standards will always be important to travellers—who would want to experience dirty or unsafe conditions?—it is no longer the most important factor for them.

In the latest Traveller Value Index, when we look at what consumers ranked in their top three most important considerations, enhanced cleaning methods does not appear on the list when booking accommodation, transportation or activities, whereas it was a top three consideration across all areas last year.

This waning importance is also reflected in our traveller review data. Prior to the pandemic in late 2019, the percentage of reviews that included mentions related to cleanliness was between 5% to 12%. Review mentions rapidly increased in early 2020, peaking in September 2020 (42%) and then again in early 2021 (41%). At the end of 2021, that average dropped to 25%—higher than pre-pandemic but continuing to decrease from peak times.[27]

[27]Expedia Group, traveller reviews, 2019–2022

Cleanliness-related mentions in traveller reviews



Despite enhanced cleaning methods no longer being the most important consideration for travellers, the pandemic is still impacting travel plans and mindsets. As waves spike and wane, half say that ongoing health and safety concerns due to the pandemic will impact their travel plans in the next 12 months.

In contrast, travel professionals may be overestimating how much travellers worry about their COVID-19 risk—and underestimating other factors that are impacting their customers, like inflation.

An explanation for this slight gap may be the continued concern from industry professionals about their own health. More than three-quarters of travel professionals are concerned for their health and safety at work as COVID-19 restrictions lift, with those in the airline industry most concerned. More than half of professionals say that their business was still encouraging or requiring testing and personal protective equipment for both staff and travellers and maintaining enhanced cleaning protocols.

While COVID-19 still weighs on the minds of consumers and industry professionals alike, consumers are now more concerned about something else: the rising cost of everyday life.

What is impacting consumers' travel plans in the next 12 months?

	CONSUMERS SAY...	INDUSTRY PROFESSIONALS SAY...
1	Inflation	Ongoing health and safety concerns due to the pandemic
2	Ongoing health and safety concerns due to the pandemic	Travel restrictions
3	Travel restrictions	Inflation
4	Political instability	Political instability

05

FLUCTUATING FACTORS

Like the pandemic, some patterns remain hard to predict. Consumer preferences change quickly and vary by geography, industry and background. Only time will tell whether these emerging trends are a passing fad or here to stay for the long term.

6. Price sensitivity returns as inflation rises

As we emerged from the worst of the pandemic, people were eager to travel and were willing to pay more to do so. In last year's Traveller Value Index, consumers ranked both refundable reservations and enhanced cleaning above price.[28] In the biggest change year over year, low pricing reappeared at the top of the list when booking all elements of a trip: 27% of people say it is what they value most when booking travel. Reinforcing this, consumers also say that inflation is impacting their travel plans more than ongoing pandemic concerns and travel restrictions, particularly those in North and South America and Europe.

In stark contrast, industry professionals underestimate the impact of inflation and consumers' current sensitivity to price. Across all modes of travel, accommodation and activities, low pricing is within the top three considerations for consumers, along with flexible policies and refundable rates. However, travel professionals in most of these industries do not rank price in travellers' top three considerations.

% of people who most value atypical, low pricing when booking:

A hire car
31%

A flight
27%

A tour/activity
27%

A holiday rental
26%

A cruise
25%

A hotel
23%

58%
of professionals say that consumers' travel budgets will be larger than last year

43%
of consumers say that their travel budget will be larger than last year

And while many people (43%) say that their travel budget will be larger this year than last, that's lower than travel professionals' expectations, 58% of whom expect consumers' spending on travel to increase. Price and value play a bigger role in the decisions of today's travellers than they did a year ago, a reality that the industry should be sensitive to.

[28]Expedia Group, Traveller Value Index, 2021

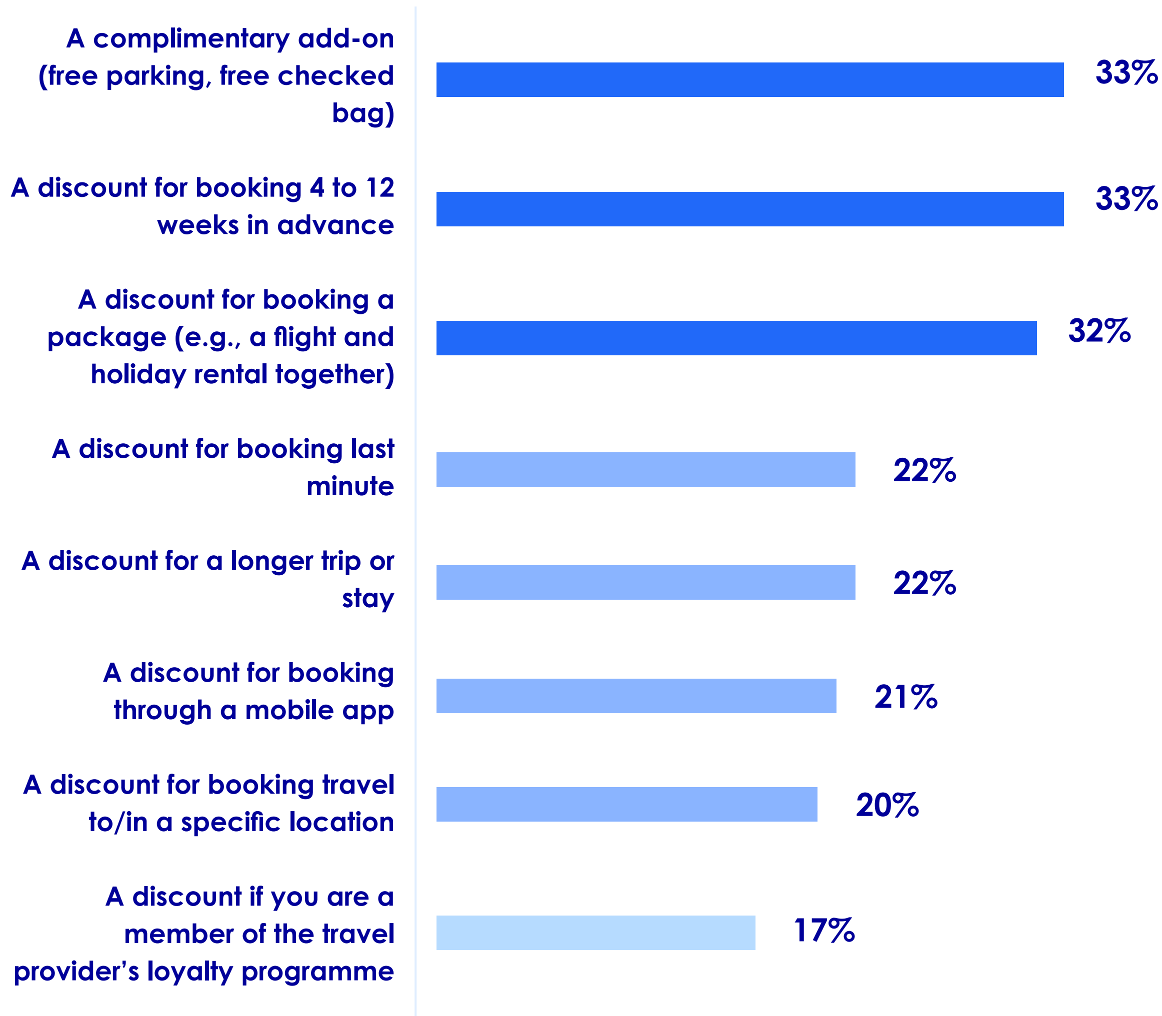
Price sensitivity doesn't necessarily mean that consumers are hunting for the cheapest rate. Many people may feel comfortable increasing their overall budget for travel—but they want to get their money's worth.

In fact, they say feeling that 'the experience was worth the cost' is the most important factor for a positive trip experience. On the flip side, they say that feeling like they did not receive the full service or experience they paid for was the top reason for leaving a negative review for a travel provider.[29]

Due to the pandemic, travellers are more closely evaluating every aspect of their travel experience. What is this airline's cancellation policies? Is the pool open at this hotel? Will the tour only go through outdoor areas? Are local businesses closed or operating at reduced capacity in this destination? If their experience doesn't match their expectations—or the price they paid—there is a disconnect.

If inflation comes under control soon, consumers may care less about price than they do now. However, until costs come down, those in the travel space should not underestimate the impact that high prices are having on their customers and should be agile in how they adjust their pricing and thoughtful in their messaging and marketing.

Most appealing deals to consumers when they book travel:



[29] Expedia Group, Traveller Value Index: Spring 2022 Outlook

7.

Travellers have yet to fully realise the benefit of travel loyalty programmes

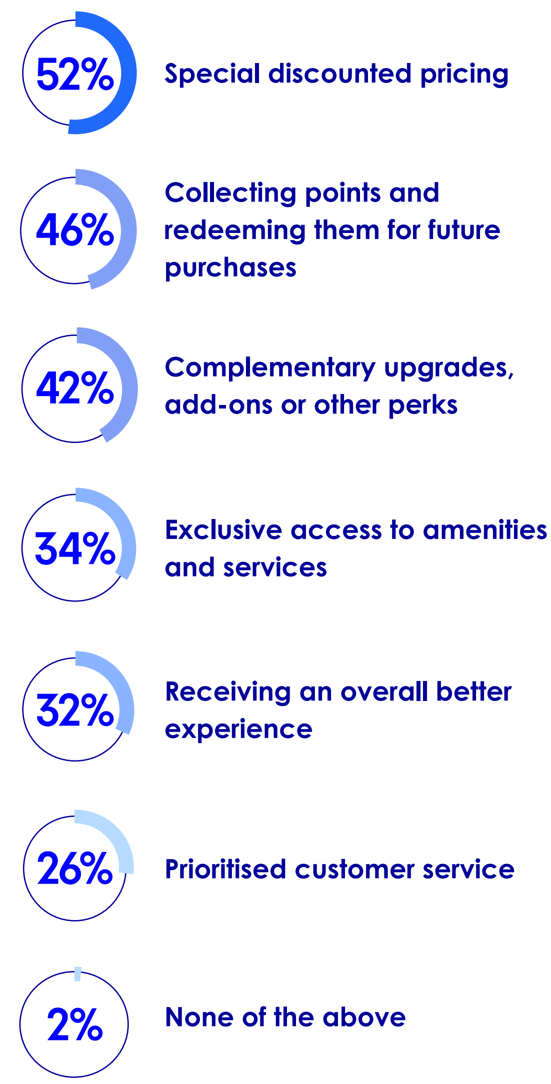
Brand trust and loyalty were tested over the last few years. Many businesses were managing never-before-seen challenges, and it was nearly impossible for travellers to avoid these challenges. No business was immune to staffing issues, supply chain problems or the growing pains of adopting new technology—which means people were likely experiencing more issues while travelling than they were prior to the pandemic. While most of those in the industry (82%) say they think consumers were understanding of staff and service limitations, it is likely that customer loyalty took a hit.

Customer loyalty means repeat business. Three in four organisations say that they operate loyalty programmes to encourage travellers to book with them time and time again. However, while important to businesses, industry professionals may be overestimating consumers' engagement in loyalty programmes. Fewer than half of consumers (44%) are members of a loyalty programme, representing an opportunity for businesses that operate in the travel space to acquire new members, particularly those in the Japanese and German markets where membership is the lowest.

Those who are in loyalty programmes value them—more than half (53%) say it is more important now to travel and stay with providers where they are a loyalty member than it was before the pandemic. In our own loyalty programme, slowly but surely since 2018, more bookings across our primary traveller websites have included the redemption of loyalty points/rewards. Though bookings decreased overall during the height of the pandemic, the percentage of bookings with loyalty points remained steady throughout and has increased in 2022.[30] That said, when it comes to booking, factors like price, flexibility and even cleanliness have more of an influence on travellers than being a loyalty programme member.

Companies offering loyalty programmes should ensure that they are providing perks their members truly value—and communicating the benefits of their programme to potential new members. With the current price sensitivity, offering discounts to members is the most valuable perk. As the industry stabilises and accelerates, the businesses that offer travellers the best, most reliable experience will attract loyal customers.

What do consumers value most from travel loyalty programmes they are a member of?



[30] Expedia Group, percent of bookings with loyalty redemption on Hotels.com, Orbitz and Expedia, 2018–2022

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HOW TO TAKE ACTION

People recognise that travel is a gift—an opportunity not to be wasted or taken for granted.

At the same time, the pandemic created more discerning consumers with higher expectations for their travel experience, from booking a place to stay to the taxi journey home. They weigh up a variety of factors when making booking decisions. Today, flexibility and price are top of mind, but other considerations are also at play.

How to stand out to travellers and prepare for a successful 2023

Maintain your refundable rates and flexible policies.
Flexibility continues to be one of the top considerations for travellers, particularly those travelling internationally. Highlight your flexible options by ensuring that your refundable rates and flexible cancellation policies are reflected in your listing content and any marketing materials.

Set realistic expectations with travellers— and have realistic expectations for your staff.
Only 15% of industry professionals say that their business is currently providing full hours and services, and that number was even lower for those in Germany and South Korea. Ensure that the information you communicate to travellers pre- and post-booking and during their time with you accurately reflects what their experience will be like. Rebuilding trust is key.

Be thoughtful about discounts and perks.
Your customers may be more price sensitive now than they were a year ago, so consider what types of incentives will be most effective and include those in your offerings and marketing and promotions strategy. Complimentary add-ons, discounts for advanced booking and travel packages are effective tactics for encouraging consumers to book with you. If you offer a loyalty programme, keep in mind that discounts and points are most important to members. Access to specific amenities may be more of a draw for business travellers, who can be convinced to stay for leisure as well.

Appeal to travellers' desire for relaxation.
Travellers are looking for a change of scenery and rejuvenation. Brands in the travel space have an opportunity to play into these motivations by highlighting their amenities and experiences that provide that sense of escape.

Lean into and showcase your brand values.
A third of industry professionals say they are promoting specific company values or priorities, like sustainability initiatives, to encourage bookings from their key traveller audiences. If you offer special accessibility amenities, make efforts to reduce your environmental impact or have other inclusive practices, showcase them to travellers. Consumers will continue to book based on their personal values and will be loyal to the destinations and businesses that walk the walk in these key areas.

Keep a pulse on traveller feedback to understand how they perceive their experience.
Whether through reviews, social media or your own channels, collecting and acting on feedback is key to optimising the travel experience you provide. Just over half of the organisations in our research relied on customer reviews to measure the guest experience, and the same amount make changes often due to feedback—meaning there is a big opportunity for more businesses in the travel space to be taking advantage of feedback loops. A positive travel experience attracts loyal customers.

Go deeper with industry-specific insights:

Hotel

Holiday rental

Cruise

Car hire

Airline

Tours and activities

Destination marketing organisation

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METHODOLOGY

The consumer research was conducted by Wakefield Research among 11,000 nationally representative adults aged 18+ across eleven markets (Australia, Brazil, Canada, France, Germany, Japan, Mexico, South Africa, South Korea, the United Kingdom and the United States) between June and July 2022, using an email invitation and an online survey. The data was weighted to ensure reliable and accurate representation. The overall margin of error for this study is +/-.93 at the overall level and +/-3.1 in each market, at 95% confidence.

The industry professional research was conducted by Wakefield Research among 100 travel professionals each in 11 markets (Australia, Brazil, Canada, France, Germany, Japan, Mexico, South Africa, South Korea, the United Kingdom and the United States) between June and July 2022, using an email invitation and an online survey. Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 3.0 percentage points for the total 1,100 respondents, and 9.8 percentage points for the 100 respondents in each country, from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

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ABOUT EXPEDIA GROUP

POWERING TRAVEL FOR EVERYONE, EVERYWHERE— TOGETHER.

As the world's leading traveller technology platform, Expedia Group connects businesses big and small to the universe of travel through access to data, tools, technology and hundreds of millions of global travellers.

Our trusted and loved travel brands, combined with a robust B2B distribution network and game-changing technology solutions, create exponential opportunities for businesses to build, grow and scale in new and innovative ways.

With over two decades of experience and expertise, we help businesses maximise potential and drive meaningful results.

Partner with us

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Vrbo