

NOVEMBER 2021

TRENDING IN TRAVEL

Emerging consumer trends in Travel
& Tourism in 2021 and beyond

WORLD
TRAVEL &
TOURISM
COUNCIL

Trip.com Group™

FORWARD

COVID-19 has been devastating for Travel & Tourism, causing considerable losses for the individuals employed by the sector and the communities and livelihoods that depend on that income. In 2020, the sector experienced a US\$ 4.5 trillion drop in GDP and losses of 62 million jobs around the globe. Yet, as governments and businesses implemented measures to proactively address COVID-19, social lives slowly began to resume. In turn, traveller demand and positive consumer sentiment around travel continues to grow, giving hope to all those who depend on the Travel & Tourism sector for survival.

Travellers are remembering all the things they love about exploring the world while also considering how their travel habits impact that world. Through this, certain existing trends have accelerated, and new ones have emerged.

All of us have had to transform how we live our lives, in efforts to manage the outbreak and keep each other safe. **With these changes and restrictions, consumer travel habits have had to shift and will continue to evolve.** In a world where travel restrictions can change overnight and where substantial restrictions are often implemented to maintain public health, consumers are even more concerned about the cost implications of changing travel plans and what kind of health and hygiene protocols they could encounter during their travels. From **domestic travel leading the recovery** and **younger generations being the first to travel**, to increased demand for **longer stays, fee-free cancellations**, and enhanced **health & hygiene** measures, consumers have made their preferences clear, through bookings, enquiries, and surveys and the sector is responding.

It is clear the **choices consumers are making about how to live their lives are impacting how they choose to travel.** Some of these changes will prevail in the short to medium term, as COVID-19 management policies continue to dictate how most of the world travels, while other changes may transform Travel & Tourism in the longer term. It is in this context that the **Trip.com Group and the World Travel & Tourism Council explore the trends shaping the recovery.** We highlight which trends may be short-lived and which ones may linger in the long term, while also sharing some of the ways stakeholders have responded.

Undoubtedly, **the wanderlust that fuelled the Travel & Tourism sector remains.** Travellers are desperate to explore, and the sector is more than eager to welcome them back and facilitate incredible experiences while also **building back a better world for our people and planet.**



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Introduction

COVID-19 has altered the way we live, work and travel, and shifted traveller requirements, expectations, and preferences in the process.

To date, **booking trends have showcased a domestic rediscovery**, with ongoing restrictions compelling consumers in search of travel experiences to explore within the borders of the destinations they call home. The concept of a staycation has taken on new meaning in this era, as consumers create **workcations** and increasingly stay longer in destinations, given the normalisation of remote work. In the short-term however, even with the flexibility to work from anywhere, consumers are weary to book too far in advance, for **fear of travel restrictions causing cancellations**.

Following a period of lockdowns and isolation, travellers are showing a preference to travel to **less crowded** and even unfamiliar destinations. Indeed, there has been increased interest in exploring secondary destinations and nature. During this period, travellers have become **more committed to sustainability**, which in turn is affecting their travel choices. The lockdowns have also shone a brighter light on **wellness** and overall health, driving more consumers to seek out further wellness experiences. However, consumer concerns around COVID-19 circulation and infection persist, making it crucial for their chosen travel partners to provide knowledge of virus prevention measures.

In light of our rapidly evolving world and shifting trends, this report aims to better understand consumer behaviour in the wake of COVID-19. From domestic travel leading the recovery and younger generations being the first to travel to increased demand for longer stays, fee-free cancellations, and enhanced health & hygiene measures, consumers have made their preferences clear. This report highlights these trends through booking data analysis and consumer survey responses from a number of sources, including leading global travel service provider Trip.com Group. While some trends in the report are new, others are a more nuanced version of emerging trends. The report has been divided into three broader clusters, notably **booking trends, consumer considerations, and consumer profiles**. Furthermore, this report features examples of markets whose resilience has provided a platform for the recovery of the sector and shows the positive response from consumers to these engagements.

Looking ahead, as people travel again to new or familiar places, one thing is certain; **travel will recover, and it must do so more inclusively and sustainably.**



The Global & Regional Recovery

WTTC's latest October 2021 projections not only show promising growth opportunities in the domestic market for 2021; but a rise in international travel which will further accelerate in 2022 and beyond. Following a 49.1% decline in 2020 and a loss of almost US\$ 4.5 trillion, **Travel & Tourism GDP is projected to rise by 30.7% in 2021 and 31.7% in 2022.**¹

Understandably, international spending growth will lag domestic in 2021, due to continued restrictions on travel, however it is **projected to overtake domestic spending in 2022** as more destinations ease restrictions and vaccination rates continue to rise². Following a 45% decline in 2020, global domestic spending is projected to rise by 41.5% in 2021 and 24.3% in 2022. Following a 69.4% decline in 2020, international spending, globally, is set to rise by 9.3% in 2021 and considerably by 93.8% in 2022.

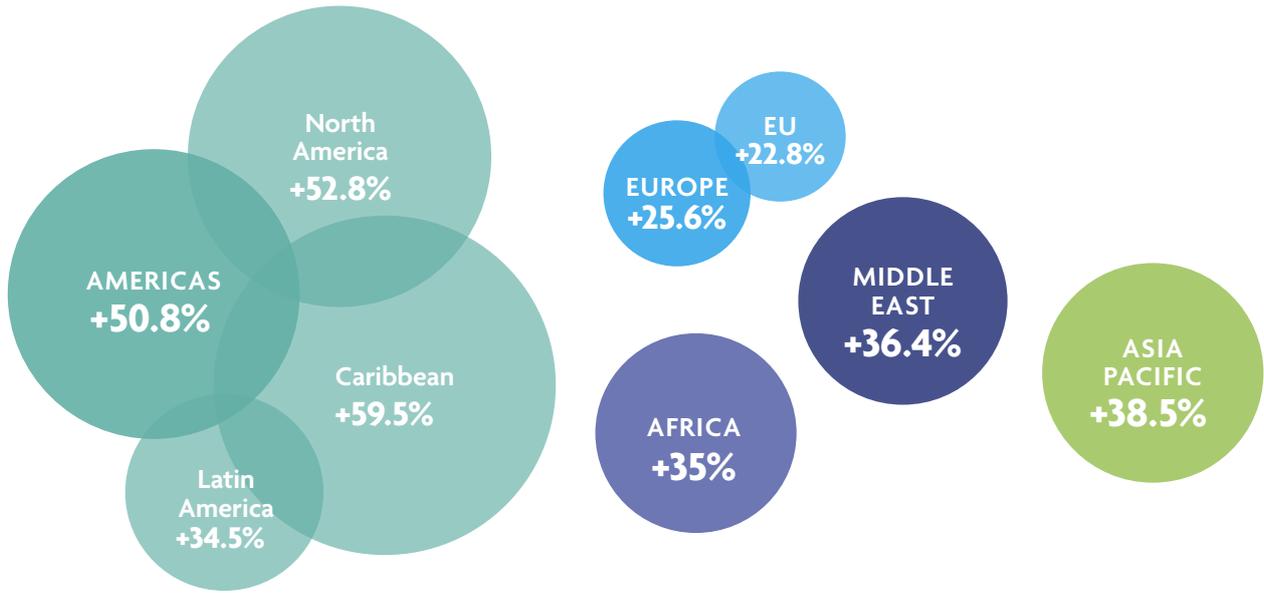
Regionally, **the Americas lead the recovery** with a 36.8% projected growth of T&T GDP, followed closely by Asia-Pacific with an expected T&T GDP growth of 36.3%³. Africa (27.7%), the Middle East (27.1%), and Europe (23.9%) follow. Within the Americas, **the Caribbean is the frontrunner** with a projected T&T GDP growth of 47.3% followed by North America (37.9%) and Latin America (26%). The **growth in T&T GDP is expected to be largely driven by domestic spending**, with the exception of the Caribbean and the Middle East where international spending is set to make a significant contribution to T&T GDP. Projected international spending growth in the Caribbean is the highest of any region in 2021, with domestic spending growth projected at 52.6% and international spending projected at a notable 61.7%⁴.

While projected domestic spending growth outperforms international spending in 2021 in most regions, **Asia-Pacific is projected to see an immense 148.3% growth in international spending in 2022** as more destinations are expected to re-open to travel. Europe is projected to see higher domestic spending growth (30.2%) compared to international spending (19.3%) in 2021. Within the EU, the gap between projected domestic and international spending is slightly less pronounced with domestic spending projected at 26% compared to 17.6% for international spending. WTTC's latest projections show promising growth in international spending for 2022 and beyond.

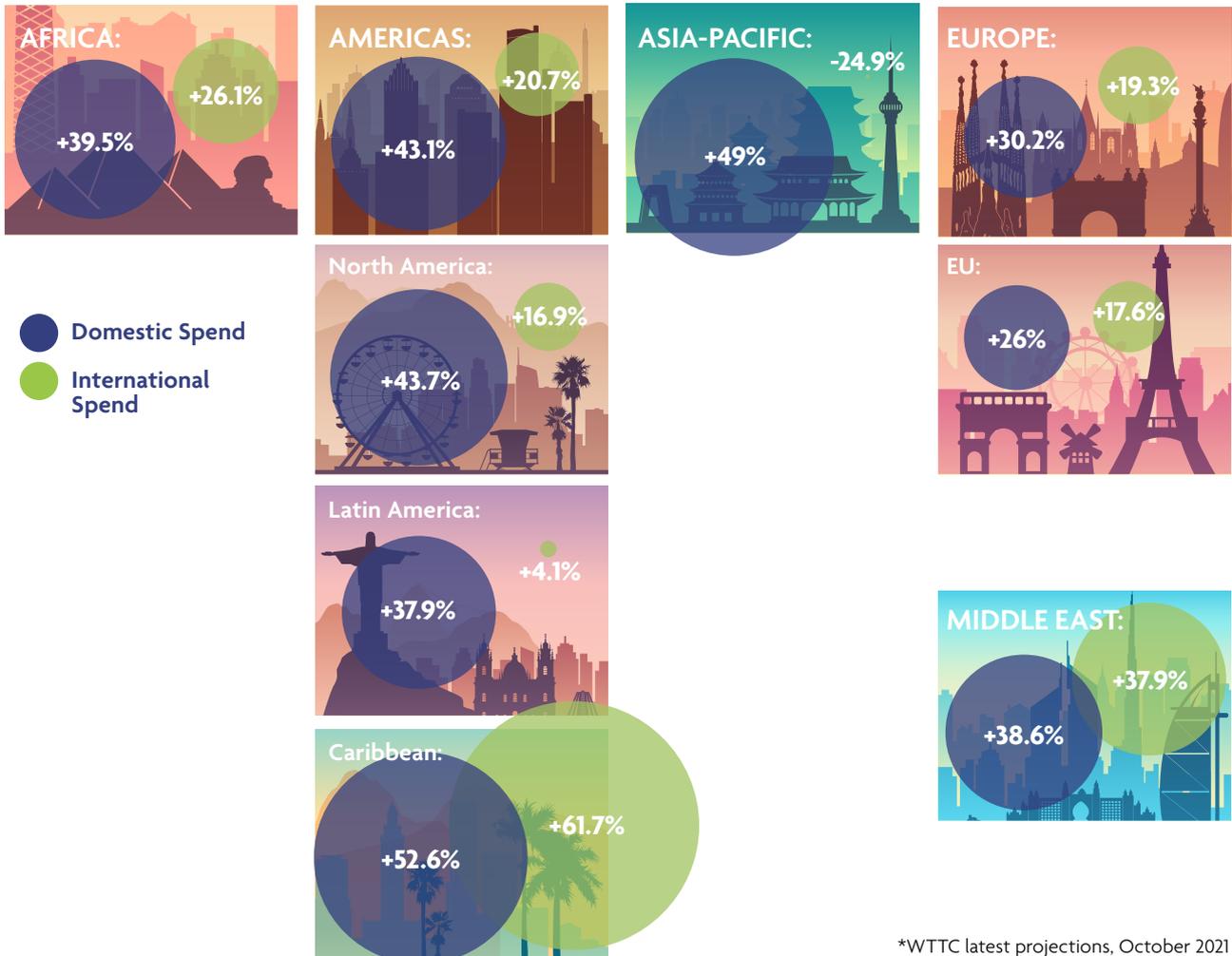
At a country level, though **China** experienced prolonged restrictions it is expected to see a T&T GDP growth of 60.7% in 2021, largely led by domestic travel; a figure higher than both the US (35.6%) and the UK (32.3%). The same is true for leisure spending with China projected to see a 66.9% increase, followed by a 51.4% increase in the US, and a 30.5% increase in the UK.

While continued restrictions have limited international travel, wanderlust remains. Although domestic travel has been a key factor in the recovery to date and remains essential, the full recovery of the global economy will require the return of international travel.

Leisure spending projections 2021:



Domestic vs International spending projections 2021:



A woman with curly hair, wearing sunglasses, a white tank top, and a white skirt with red polka dots, is holding hands with the camera. She is standing in St. Peter's Square, Rome, with St. Peter's Basilica in the background. The sky is blue with white clouds. Other people are visible in the background, some standing near a wooden barrier.

BOOKING TRENDS

The Domestic Rediscovery

The persisting restrictions on international travel have resulted in **domestic leisure tourism continuing to lead the recovery** of Travel & Tourism in the short to medium term. As travel demand continues to rise, consumers are turning to domestic destinations and activities. Looking ahead, **staycations** are likely to remain in demand and even increase in countries with prolonged restrictions on outbound travel. Indeed, about **half of global travellers plan to travel for a domestic holiday in the next 12 months**⁵. More than half of travellers in the US and Europe intend to take a domestic trip and roughly one third of European travellers plan to take an international trip within Europe⁶. In the **UK** specifically, a survey⁷ found that over half of travellers (62%) planned to spend their main 2021 summer break in the UK, a 12% increase from the previous year, with 46% of UK travellers more likely to consider a staycation than prior to COVID-19; likely due to ongoing restrictions in the country.

The rise in domestic travel and ongoing demand for staycations has been particularly impressive in mainland **China**, where outbound international travel has remained largely restricted since the onset of the pandemic. Survey data taken over China's major 2021 National Day holiday shows that 49.1% of Chinese tourists are opting for in-province travel, 4.1 percentage points higher than in 2020. What is more, 88.3% of tourists are choosing to travel within a 300-kilometre radius of their homes⁸. In effect, Ctrip short-haul attraction bookings for HI 2021 increased by almost 300% and 81% compared to the same period in 2020 and 2019 respectively⁹. For example, Beijing residents purchased 50% more attraction tickets in 2020 compared to 2019. What's more, HI 2021 saw an increase of over 130% in the purchase of Beijing attraction tickets compared to the same period in 2019 and an even higher increase of over 140% compared to the same period in 2020.

Hong Kong, Singapore, South Korea, and Japan have also experienced increases in demand for staycations. For example, Trip.com data shows that in-market hotel bookings in Hong Kong in the first two quarters of 2021 saw an increase of over 200% compared to the same period in 2019. The growth in domestic travel was supported by enabling governmental policies. For instance, the Japanese government launched its Go to Travel campaign in 2020, which offered discounts up to 50% on domestic travel. Similarly, South Korea implemented vacation support projects, travel discount coupons and early reservation discounts for domestic travel; whilst Thailand launched in 2020 a tourism stimulus campaign, which is still ongoing, known as Rao Tiew Duay Kan (We Travel Together) to provide subsidies on hotel accommodation and flight bookings.

In Europe, as vaccine rates increased and health restrictions eased, domestic travel rose¹⁰. Overall global domestic hotel bookings on Trip.com saw a surge in 2021 compared to previous years. While domestic hotel bookings saw double digit growth in 2020 compared to 2019, they soared to an increase of over 200% when comparing 2019 to 2021¹¹. Indeed, in the short to medium term travellers have taken to exploring within the borders of the countries they call home and they have redefined these staycations to include work. **As international travel returns, domestic travel may slow proportionally, but the trend to rediscovering domestic destinations is likely to linger in the long-term.**

Trending Destinations



The destinations attracting the most domestic travellers in 2021

Most searched international destinations in 2021 (by users in China)

*According to Trip.com Group data

CASE STUDY

Singapore: Boosting domestic tourism and supporting tourism businesses

All Singaporean citizens over the age of 18 in 2020 are eligible for the SingapoRediscover Vouchers (SRV), a scheme to boost domestic demand. The S\$100 voucher is eligible for use on hotel stays, tours, and at attractions booked with authorised booking partners from 1 December 2020 to 31 December 2021. Singaporeans with familial ties to those below 18 years old are also eligible to purchase up to six child/youth tickets with a subsidy of S\$10 for each child/youth ticket for attractions and tours. As of 1 September 2021, about 1.2 million adults had used their SRV at least once resulting in approximately S\$178 million in vouchers and cash payments on tourism bookings¹². To further boost demand and wanderlust for domestic holidays, regular livestreams supporting destinations and attractions in SRV packages were hosted by Trip.com Group, an authorised booking partner. In support of the SRV scheme, Trip.com also launched its first “Pay It Forward” programme enabling Singaporeans to donate the SRV products purchased to specific local beneficiary groups.



Longer Stay for Longer Play

Holidaymakers are looking for new ways to have meaningful travel experiences by working around current restrictions, including taking longer trips. While in 2019, the average domestic trip length was 4.45 days and 9.22 days for international trips; **in 2021 over 52% of global travellers indicated¹³ a preference for longer stays, with approximately one in four (26%) favouring to stay 10+ nights.** This increase, despite the pandemic, further highlights the pent-up demand and suggests the trend towards extended stays will remain in the longer term as travellers attempt to make the most of trips taken.

In fact, 87% of respondents in India, 73% of respondents in Mexico, and 68% of respondents in Australia are interested in taking extended trips to experience new destinations along with over half of respondents in Canada, the USA, and the UK¹⁴. Interestingly, Skyscanner found that in 2020, 18% of respondents from Japan said their trips were less about how they look on social media and more about appreciation. This is an 8% increase from 2019 when only 10% of respondents agreed with this statement¹⁵. What is more, American Express found that over half (54%) of travellers said **the freedom and flexibility to live and work while travelling the globe** is more appealing now than before the pandemic¹⁶.

As hybrid models gain prevalence and traveller appetite to combine work and school with leisure travel grows, there is an **expectation that longer stays will remain, and potentially increase**, in the future. So called, **Bleisure** trips such as “**workcations**” or “**flexcations**” enable more travellers to experience new destinations and are helping to spur the recovery of Travel & Tourism. Moreover, 40% of travellers expressed a willingness to quarantine prior to their holiday if it meant that they could work remotely worldwide¹⁷. In Asia-Pacific, over two thirds (69%) of Thai respondents agreed that remote work during quarantine and travel would incite them to stay longer; 57% of Vietnamese and 54% of Chinese respondents agreed.

In the longer term, where increased testing and tracing to enable travel prevails over quarantines, **consumers may seek out travel products that cater to their hybrid needs and longer stays.** These can vary from short-term use of business facilities and supervised activities for children to long stays and more flexible booking arrangements.

CASE STUDY

Hospitality Groups in Action: Supporting bleisure through specialised accommodation packages

In response to the pandemic and to help facilitate remote work, hospitality groups including Marriott, Hilton, and Hyatt created specialised packages for guests to use hotel facilities to meet their business, leisure, or bleisure needs. Marriott¹⁸, for instance, offers extended stays all over the world as well as packages for day use, single night use, and longer stays. The Play Pass¹⁹, which enables workcations, includes business concierge, supervised children’s activities, booking access to semi-private workspaces and meeting rooms, and more. Hyatt²⁰ also offers guests extended stay packages from using a room for a day as an office to stays of 29+ days, while Workspaces by Hilton²¹ enables guests to use the hotel as an office for the day, ideal for those on workcations needing a business space away from their primary accommodation.

Shorter booking windows may be short-lived

The uncertain and fast-changing travel restrictions have resulted in a shift in travellers' booking habits. Travellers are less willing to book travel months in advance and are increasingly seeking flexible bookings. As a result, airlines, hotels, and other travel providers have had to adapt their cancellation policies to accommodate potential changes to itineraries. This shift towards flexibility has been accompanied by travellers' transition towards shorter booking windows.

In a 2020 study²², **76% of travellers said they would be more likely to book a hotel with flexible cancellation** and refund policies. The same is true for flights with 58% of global Skyscanner survey respondents stating flexible flight tickets with free changes for dates or destinations are important when booking their next trip. 55% said cancelling the entire booking for free was most important when booking their next trip²³. Furthermore, while pre-pandemic less than 20% of travellers²⁴ chose flights and accommodation based on simple cancellation policies, this figure has grown considerably. In Europe, 89% of travellers in Spain, 84% of UK travellers, and 87% of travellers in France all cited that flexible cancellation, rebooking, or refund policies are more important now than pre-COVID. In response, 82% of executives stated²⁵ that they have considered or have already made changes to allow for flexible cancellation and refund policies for guests, 61% have made or are making changes to remove or reduce minimum length-of-stay requirements, and 59% have removed or reduced room deposit requirements.

Consumers want to avoid penalties and losses making flexible change and cancellation policies and payment terms²⁶ key booking conditions. However, there are financial implications for free cancellations, making these changes difficult to maintain in the long term²⁷ with travel providers proposing postponements instead.

Shorter booking windows are also becoming more common, with Trip.com's data revealing shorter average bookings for both hotels and flights. Flight booking windows were at their shortest in H1 2021 at 23 days, a 56% decrease compared to 53 days in H1 2019. Hotel booking windows also dropped from 32 days in H1 2019 to 10 days in H1 2021²⁸. In a statement²⁹ released by **Hyatt, over 65% of full-service hotel bookings and more than 75% of budget hotel bookings were made four days in advance** during June 2020 in the US. This was the shortest transient booking window the company had ever seen.

These shorter booking windows were also seen in mainland China, a market with consistently short booking windows. In 2019, 70% of Ctrip hotel bookings for mainland China were made within three days of travel, this ratio increased to more than 80% in 2020 and 2021 with over 60% of these being same-day bookings³⁰. The same is true for flights. In 2019, 80% of travellers in mainland China made flight bookings within 18 days of departure but in 2020 80% of travellers made flight bookings within nine days of departure, a 50% decrease from the previous year³¹. Despite these fluctuations, the majority still book 1-3 days in advance of travel. This increase in shorter booking windows is explained by the high uncertainty of travel restrictions during the pandemic.

Still, **shorter booking windows may be a temporary phenomenon**. Amadeus reports that **same-day bookings are gradually decreasing** while bookings made further in advance are increasing. Same-day bookings, globally, reduced from 39% in the first week of 2021 to 23% in the week of 25 April 2021, whilst bookings made 31 days to 61 days in advance increased from 6% to 11%³². This suggests that, when **given a choice, consumers prefer to book holidays further in advance instead of a few days before departure** indicating that shorter booking windows will not remain in the long term.

Emirates: Responding to last-minute cancellations and shorter booking windows

As booking windows decreased globally in response to rapidly changing travel restrictions, Emirates changed its cancellation and booking modification policies in 2020 to enable travellers affected by COVID-19 policy shifts to change or cancel tickets fee-free, thereby boosting consumer confidence in booking travel further in advance. In 2021 these policies³³ were revised to extend ticket validity by up to 36 months, even offering travellers the ability to change to another destination in the region at no extra fee. This flexible postponement policy helps decrease the costs of cancellation while giving travellers assurances for future travel.



The allure of Secondary Destinations

5

In the wake of COVID-19, consumers are increasingly seeking out secondary destinations, rural areas and nature-based destinations for their travels .

Modern travellers are increasingly seeking adventure to satisfy their pent-up wanderlust, with **40% of travellers opting to explore unfamiliar destinations**³⁴. Similarly, American Express³⁵ found that **69% of travellers were interested in visiting lesser-known destinations, 72% were hoping to support local communities** through their travel, and **59% were interested in “philantourism”**, specifically choosing an experience or vacation to support a destination through tourism. What is more, 52% of consumers are more likely to take an outdoor trip than before the pandemic and 47% of travellers want their next trip to be in nature. This is consistent with the European Travel Commission's latest survey results from September 2021, which highlighted that Europeans with short-term travel plans exhibit a stronger preference for nature-based or coastal destinations, with Italy, Spain, France, Greece, and Croatia remaining favourites for summer and autumn 2021³⁶.

This trend is reinforced by data from Phocuswright that found **7 in 10 travellers in the US and more than three quarters of travellers in Europe anticipate visiting an outdoor destination** such as a beach, lake, mountain, or desert.³⁷ In Asia-Pacific, nature-related attraction bookings on Ctrip have been on the rise since 2019. This has been supported by an upwelling of national park ticket bookings on the platform between 2020 and 2021. Nature-related attraction bookings in H1 2021 increased by 66.7% compared to H1 2019 and they increased substantially, by 264.5%, in H1 2021 compared to H1 2020. A similarly large increase can be seen in national park ticket bookings between 2019 and 2021; ticket bookings for national parks increased by nearly 37% in H1 2021 compared to H1 2019 and rose by 233.5% in H1 2021 compared to H1 2020³⁸.

While overall* booking rates for urban destinations in mainland China remained higher than those for rural destinations, remote rural areas and suburban areas saw the fastest increase in booking rates in H1 2021³⁹. Approximately 30 destinations in mainland China experienced a five-fold increase in booking rates in H1 2021, most of which were less developed or remote destinations in western China. In March 2021 alone, rural tourism-related bookings on Ctrip increased by over 300% compared to pre-pandemic levels in 2019. These increases highlight a trend of travel to more secondary and rural destinations which is likely to continue growing. Travel providers have adapted with this trend, providing travellers with content and products through innovative new marketing strategies such as live streams, and launched dedicated promotions for rural and secondary destinations.

Travellers have shown a **desire to lessen their footprint and enhance their social impact**. Indeed, already pre-pandemic, 51% of global travellers noted their willingness to exchange their original destination for a lesser known but similar alternative if it had a smaller footprint and greater community impact⁴⁰. This trend remains on the rise, with **increasing consumer interest in sustainable travel, philantourism, and rural tourism**; in turn, indicating that second cities and destinations will continue to grow in popularity in the medium term. Still, for these destinations to continue to grow sustainably in the long-term, effective destination stewardship and investment will need to be supported by public, private, and community partnerships.

Trending hotel booking destinations 2021:

Trip.com Global Destination Ranking Rises (in terms of hotel bookings vs 2020)



A person is seen from behind, sitting on a dark, rocky peak. They are looking out over a vast expanse of white, fluffy clouds that stretch to the horizon. The sky above is a mix of orange, yellow, and pink, suggesting a sunset or sunrise. The overall mood is contemplative and serene.

CONSUMER CONSIDERATIONS

Responsible Together & Sustainable Forever

While sustainability has been a priority for the Travel & Tourism sector for some time, it became even more prominent through the pandemic. Indeed, **consumers pay closer attention to their human impact on the environment and seek more sustainable options in how they live and travel.** Increasingly, the private sector is offering sustainable alternatives, and the public sector is more eager to finance sustainable tourism and development. From the UN Sustainable Development Goals (SDGs), the Paris Agreement, and the UNFCCC's Climate Neutral Now initiative to action on diversity, inclusion, and illegal wildlife trade, the public and private sectors are working towards a more sustainable future for people and planet.

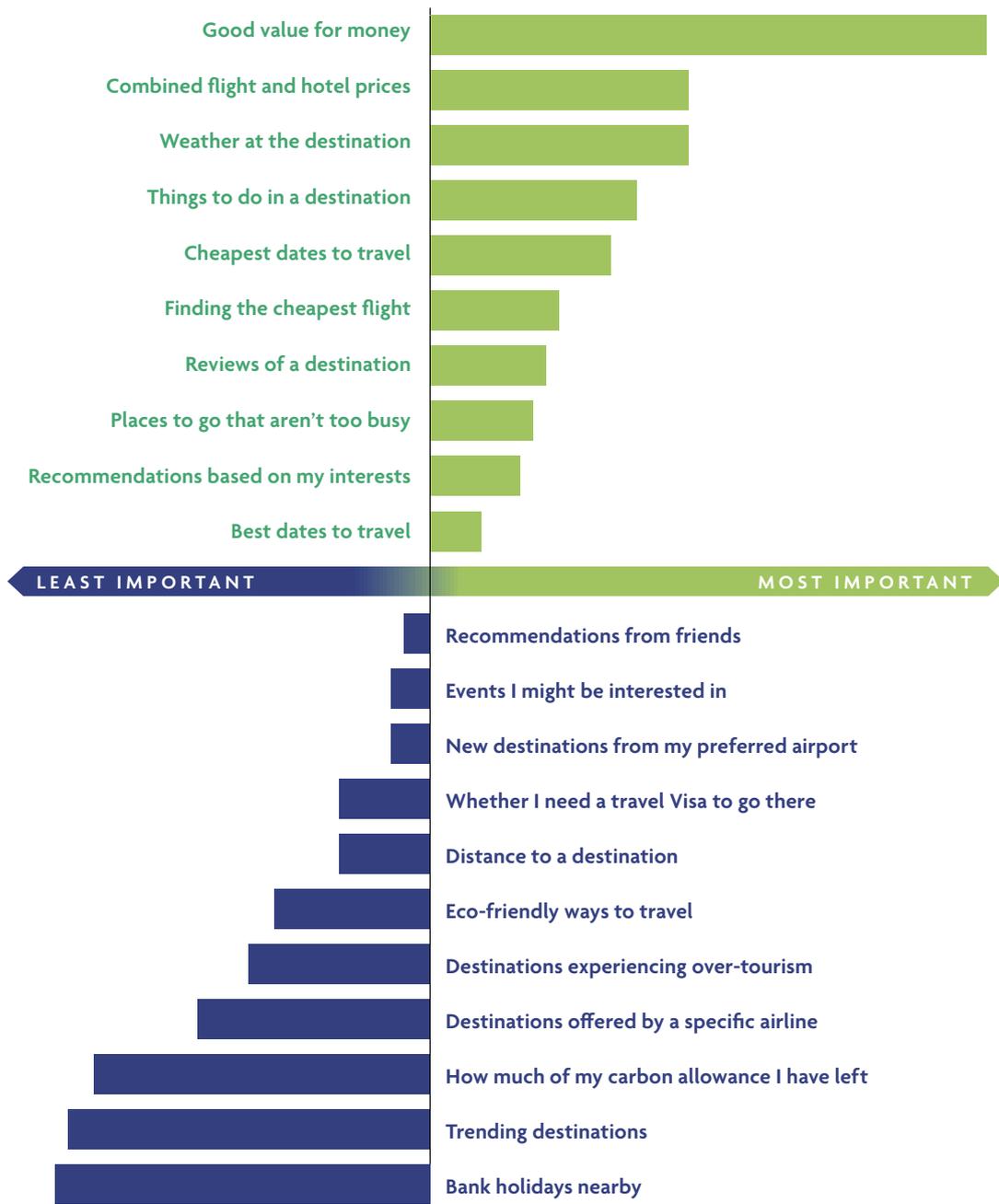
A 2021 survey found that 44% of consumers in India prefer to travel closer to nature and 94% would look at sustainable travel options when they do leave their homes in 2021⁴¹. Globally, the pause in travel inspired **83% of global travellers to make sustainable travel a priority** in the future⁴². Regarding waste and recycling, 84% of travellers plan to reduce their waste and recycle plastic when visiting a destination, a percentage that increases for travellers from Thailand (94%), Croatia (91%), and Argentina (90%). Trip.com Group research revealed over 80% of Ctrip customers supported hotels that did not provide disposable products so as to reduce single-use waste and secondary contamination.

While consumers have strong intentions to live and travel more sustainably, consumer behaviour in the past has not always aligned with these values. Skyscanner found that, when asked to rank their top criteria for flights, consumers ranked sustainable options lower than more traditional considerations such as cost and weather at the destination. This value action gap could however be attributed to lack of information. Following consumer demand for more information on the environmental impact of their flight choices, Skyscanner launched its "Greener Choice" label which indicates which flights emit 4% less CO₂ than the average emissions for a specific route. While all flights emitting 4% less CO₂ receive the label, many flights have significantly lower emissions. On average, Greener Choice labelled flights across Skyscanner globally contribute 11% less CO₂ than the average emissions for their route. Consumers have responded positively to this label and the insights it provides, with 68 million travellers since 2019 choosing the Greener Choice for their trip.

The trend toward sustainability will remain in the long term with more consumers intending to travel more responsibly and more sustainably in the future. With the support and continued work of the public and private sectors as well as local communities, and increasingly clear information on which options are more sustainable, consumers are likely to continue to take more responsibility.

Relative importance of factors when deciding where to travel:

Results from a Skyscanner survey asking travellers to rank factors from “most important” to “least important”.



Healthier lifestyles through Wellness

At the global level, COVID-19 has had a detrimental effect on mental health with individuals struggling with anxiety and isolation, among other issues. In the UK, for instance, the IFS found that average mental distress was 8.1% higher in April 2020 than it was between 2017 and 2019⁴³. This new context has, however, enhanced the appreciation of the value of mental health, giving rise to a broader understanding of wellness and **increased consumer interest in improving and maintaining good mental health and overall wellness.**

In April 2021, McKinsey found that 79% of consumers believe wellness is important and 42% consider it a top priority. What is more, consumers in Brazil, China, Germany, Japan, the United Kingdom, and the United States reported a substantial increase in the prioritisation of wellness over the past two to three years⁴⁴. In fact, Fitbit found⁴⁵ that throughout the pandemic the majority of activities that remained consistent or gained popularity were those typically associated with stress reduction.

Surveying consumers in 48 countries in 2020, the Wellness Tourism Association⁴⁶ found that 78% already included wellness activities when they travelled, while in 2021⁴⁷ 45% of US leisure travellers said they were seeking relaxation on their next trip. This supported the sentiments of 67% of consumers in an Accenture survey who stated they would spend more time and money on self-care and wellbeing in 2021. Evidently, consumer sentiment and activity around wellness travel shows increased interest in this type of tourism.

Since 2015, the global wellness tourism industry has grown steadily, experiencing 6.5% annual growth between 2015 and 2017 and boasting a value of US\$ 639 billion in 2017, with an exponential growth trajectory⁴⁸. While primary wellness travellers take trips motivated by wellness⁴⁹, secondary wellness travellers, who participate in wellness experiences while taking any type of trip for leisure or business, account for 89% of wellness trips and 86% of expenditures. As such, secondary wellness travellers form a larger share of the market. Wellness tourism, however, is not to be confused with medical tourism which ranges from travel for necessary medical procedures, such as cardiac or orthopaedic surgery, to elective and cosmetic surgeries.

With prolonged travel restrictions into 2021 and **heightened awareness of wellness, the desire to spend more time and money on self-care, wellness, and stress relief is likely to continue growing.** What is more, as consumers continue to blur the lines between business and leisure travel and become more aware of and search for more self-care and wellness activities to cultivate healthier lives, wellness tourism will continue to see growth in the long term. For travel providers, there is room to offer more personalised wellness experiences, from specific products to entire retreats.

Fiji: Promoting wellness

The Fijian government has promoted wellness for its staff and residents for a number of years and has extended these opportunities to travellers. With Fiji's 333 islands set to reopen for tourism in December 2021, Tourism Fiji has packaged the destination to meet the needs of various travellers, including wellness travellers. Wellness and self-care activities vary by traveller and could include any combination of activities such as relaxing on the beach, massages, yoga, a traditional Fijian Bobo massage, or nature-based experiences such as birdwatching. The Tourism Fiji website allows travellers to choose an activity they enjoy, helping them define their holiday by what activity signifies wellness and self-care for them. This also allows consumers to choose to travel to the islands as primary or secondary wellness travellers.

Virus Prevention is the best promotion

While there is pent-up demand for travel, consumer criteria evolved during the pandemic, in turn significantly impacting purchasing decisions. **The implementation of enhanced health and hygiene measures remains a top priority for consumers worldwide.** Indeed, while price still drives bookings, consumers are now equally focused on health and safety. Amadeus found⁵⁰ that 47% of global travellers cite a COVID-19 related factor as the most influential criteria in choosing a destination and two thirds expect an understanding of the COVID-19 prevention measures in place prior to booking. When asked about these preferences related to mode of transport and accommodation, more than half of respondents admitted that knowing COVID-19 prevention measures upfront before booking was very important when booking air (62%), hotel (66%), rail (61%), and car rental (56%).

Access to health and safety information remains critical for travellers in Asia-Pacific. Indeed, 72.8% of **consumers in Asia-Pacific now prioritise clear health and safety precautions above price** (36.8%) and location (46.3%)⁵¹ while 91% of consumers indicate that cleanliness is the main criteria when choosing accommodation. Furthermore, the overt implementation of health & hygiene measures is a clear requirement with 79% of consumers highlighting the importance of publicly displaying compliance with government safety standards. What's more, 65.6% of consumers care about having hand sanitisers available for guests and staff, 58.5% care about regularly sanitising high-traffic areas, and 57.3% care about requiring face masks to be worn by staff and guests (54%) in public areas. It is apparent that health and safety requirements will linger as COVID-19 remains an ever-present feature, especially as vaccine roll outs continue to vary across countries.

More broadly, the role of the public sector is pivotal with 60% of travellers waiting for an all-clear from government and the World Health Organisation (WHO) to feel safe to travel⁵². This can be seen in the significant recovery of hotel occupancy rates in Macau. Following the reopening of the Macau-mainland China border in August 2021, the average hotel occupancy rate during the Labour Day holiday (1 May 2021) reached 83%, nearing 2019 levels of 96.6%⁵³. Consumers also want to feel protected and supported while travelling with 46% of global travellers in Skyscanner's consumer survey citing travel insurance covering COVID-19 as an important factor when booking flights.

CASE STUDY

Spain: Public sector support to stimulate demand

Destinations such as Andalusia⁵⁴, Canary Islands⁵⁵, and the Balearic Islands⁵⁶ are offering travel health insurance policies to stimulate demand for travel to their destinations. In Andalusia, all non-resident international travellers can access free COVID-19 insurance until 31 December 2021 at all regulated establishments. This cover includes medical and surgical fees, pharmaceutical costs related to COVID-19 recovery, hospitalisation costs, and even transport and repatriation costs where necessary. In the Canary and Balearic Islands travel insurance offers similar benefits and includes both international and domestic tourists. Travellers to the Balearic Islands can also access interpreter services and a tourist helpline as part of the insurance cover.



CONSUMER PROFILES

Who goes first?

Levels of caution continue to vary between travellers, with younger generations, namely **Millennials and Generation Zers, showing a greater willingness to travel** in the short term⁵⁷. Indeed, they not only have a more positive outlook on travel, and higher pent-up demand, but savings available. 73% of Gen Xers, Millennials (Gen Yers) and Gen Zers plan to take their next trip immediately or 1 to 3 months after restrictions are lifted compared to 63% of Boomers⁵⁸.

In mainland China, Gen Zers have had strong recovery, increasing bookings by 105% compared to H1 2020⁵⁹. Globally in H1 2019, the number of bookings made by Baby Boomers was similar to bookings made by Gen Zers. However, in H1 2020 the number of bookings generated Gen Zers surpassed Boomers by 32% and in H1 2021 surpassed them by 147%.

In these uncertain times, income has influenced desire to travel, with Millennials earning above a yearly income of US\$ 50,000 being the most eager to fly. There is also a clear generational divide in booking channels. Unsurprisingly, Visa found that **younger generations are predominantly booking through smartphones**. In a survey of French and Spanish youth aged 18 to 23, 70% admitted to using Instagram as their source of travel inspiration⁶⁰. Social media and digital marketing have been powerful marketing and selling tools for travellers and will continue to be in the long term, requiring more destinations and businesses to continue to respond with innovate and engaging strategies.

As travellers plan and book their next trips, younger generations will continue to seek engaging and interactive content on digital channels when choosing where to go. Millennials and Gen Zers who are not already travelling will plan to travel in the short to medium term while older generations, who are more risk sensitive on average, are likely to travel thereafter.

Destinations in Action, Digitally

With the use of digital solutions continuing to accelerate in recent years and through the pandemic, destinations are increasingly diversifying their digital presence even offering remote travel opportunities and travel inspiration for when borders reopen. In 2020 the **Faro Islands** created an interactive digital experience to allow would-be travellers to experience the islands through the Remote Tourism campaign. These virtual tourists would interact in real-time with local Faroese who would be their eyes and ears as the guest asked them to move around the destination. The Faroese islander was equipped with a live video camera, creating a unique and interactive virtual tour. In 2020 **Monaco** amended its “For You” campaign to “Monaco misses you”, supported with great digitally shareable imagery to keep the destination top of mind for travellers. Once restrictions eased, it updated this to “For You At Last”.



Gen-Z top attractions 2021:

Ctrip's destination tags database shows the Post-90s and post-00s favourite destinations in 2021 (January 1, 2021 - August 19, 2021)



1
Theme parks



2
Zoos



3
Museums



4
Aquariums



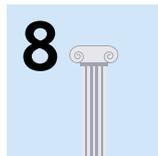
5
Botanical gardens



6
Mountains



7
City landmarks



8
Historical places/
ancient towns



9
Lakes



10
Temples



10

The luxury to grow

With increased saving during lockdowns, average travel expenditure is expected to increase for the first few trips after lockdown with much of this increased expenditure directed at further virus prevention measures. Indeed, travellers will seek to limit COVID-19 exposure by creating more tailored trips to meet their needs, aligned with traditional trends in luxury. In fact, **70% of leisure travellers across the US, the UK, Canada, Japan, and Spain expect and plan to spend more money on travel in 2022** than they have in the past five years and 76% would choose to spend more for a trip with certain additional health and safety protocols⁶¹.

The luxury travel market, which was valued at US\$945.6 billion in 2019 and is expected to reach US\$ 1.12 trillion in 2027⁶², has always offered more exclusive access to amenities and travel products making it an enticing way to travel for those interested in limiting their exposure to those outside of their travel group. While projections suggest that consumers who can afford to travel will spend more in the short to medium term, market activity indicates that this overall increased spending will not continue in the long term for those who were not luxury travellers in the pre-pandemic period. Indeed, the number of daily enquiries for luxury tailor-made travel on Ctrip in H1 2021 increased by 140% compared to the same period in 2019⁶³.

Within the luxury segment, however, consumer budgets will remain the same or increase, with consumers being more likely to book with a travel advisor in the future. Luxury travel magazine OutThere found that 79% of readers would keep the same travel budget or increase it in 2021 with 18% of readers planning to spend more on travel and almost 9% planning to almost double travel expenditures⁶⁴. 66% of readers would book with a travel advisor in 2021, an increase from 42% in 2019. Data from November 2021 indicates that the size of Ctrip's Black Diamond membership level, the platform's highest luxury tier, has increased by over 60% compared to May 2021, with members averaging over 120 bookings per year. 70% of Black Diamond users opt for five-star hotels for domestic stays while nearly 50% choose first class and business class flights when travelling⁶⁵.

Although the number of luxury travel trips will increase in the short term, as restrictions ease and consumers save less than they did during lockdowns this is expected to revert and normalise. While more travellers may not be able to afford luxury travel in the long-term, pre-pandemic luxury travellers will continue to demand luxury travel, with some even increasing their expenditures. In this context, it is expected that demand for travel advisors will continue in the luxury travel market, even increasing for some.

Luxury travel market value:

2019
\$945.6BN
USD

2027
\$1.12TN
USD
(estimate)



Conclusion

While travellers are still concerned about COVID-19 transmission, their growing confidence is enabled by the public and private sectors whose overt virus management measures are present throughout their travel journey. Indeed, consumers are more conscientious than ever; as they increasingly pay attention to how travel organisations are protecting their health and that of the staff that help make their travel possible. Traveller booking habits show continued concerns around rapidly changing restrictions, amplifying demand for easy and free cancellations. However, this has not hampered consumers' desire to travel with a rise in domestic travel in the short term and with lengthening stays.

In this new context, travellers are increasingly taking responsibility to help protect the environment and support local communities. They also plan to cultivate healthier lifestyles and maintain good mental wellbeing. Indeed, younger travellers are leading the recovery and the luxury travel segment will see new travellers in the short-term.

As the recovery of travel accelerates, consumers along with the public and private sectors have a responsibility to continue to rebuild a more sustainable and inclusive Travel & Tourism sector for our people and planet. Yet, **travellers' desire to discover the world remains unabated**, giving us hope for the future of Travel & Tourism and its ability to make a meaningful difference to people's lives and livelihoods. Understanding the changing context, emerging trends and consumer expectations will support businesses, governments and communities to adapt and pivot, and to deliver authentic experiences whilst prioritising sustainable, inclusive and resilient growth.

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The World Travel & Tourism Council is the global authority on the economic and social contribution of Travel & Tourism.

WTTC promotes sustainable growth for the Travel & Tourism sector, working with governments and international institutions to create jobs, to drive exports and to generate prosperity. Council Members are the Chairs, Presidents and Chief Executives of the world's leading private sector Travel & Tourism businesses.

For further information, please visit: [WTTC.org](https://www.wttc.org)

Trip.com Group

Trip.com Group is a leading global travel service provider comprising of Trip.com, Ctrip, Skyscanner, and Qunar. Across its platforms, Trip.com Group helps travellers around the world make informed and cost-effective bookings for travel products and services, and enables partners to connect their offerings with users through the aggregation of comprehensive travel-related content and resources, and an advanced transaction platform consisting of apps, websites and 24/7 customer service centers. Founded in 1999 and listed on NASDAQ in 2003 and HKEX in 2021, Trip.com Group has become one of the best-known travel groups in the world, with the mission "to pursue the perfect trip for a better world".

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NOTES

* Overall travel bookings include car rental, flight ticket, hotel booking, attractions, bus, train, B&B, and vacation packages.

WTTC projections define the Americas as including North America, the Caribbean, and Latin America. Visitors travelling between China and Hong Kong SAR, Macau SAR, or Taiwan are treated as 'international' visitors.

For the purposes of this report, the generations are defined as follows: Generation Zers were born between 1997 and 2012; Millennials were born between 1981 and 1996; Gen Xers were born between 1965 and 1980; Baby Boomers were born between 1946 and 1964, and the Silent Generation were born between 1928 and 1945. Trip.com and Ctrip data categorises generations by decade of birth namely, post-1990s, post-1980s, post-1970s. Where both concepts of dividing generations are used, the data incorporates both definitions.

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