

# MAPPING TRAVEL'S NEW NORMAL

The pandemic changed the world of travel

## Impacts on customers

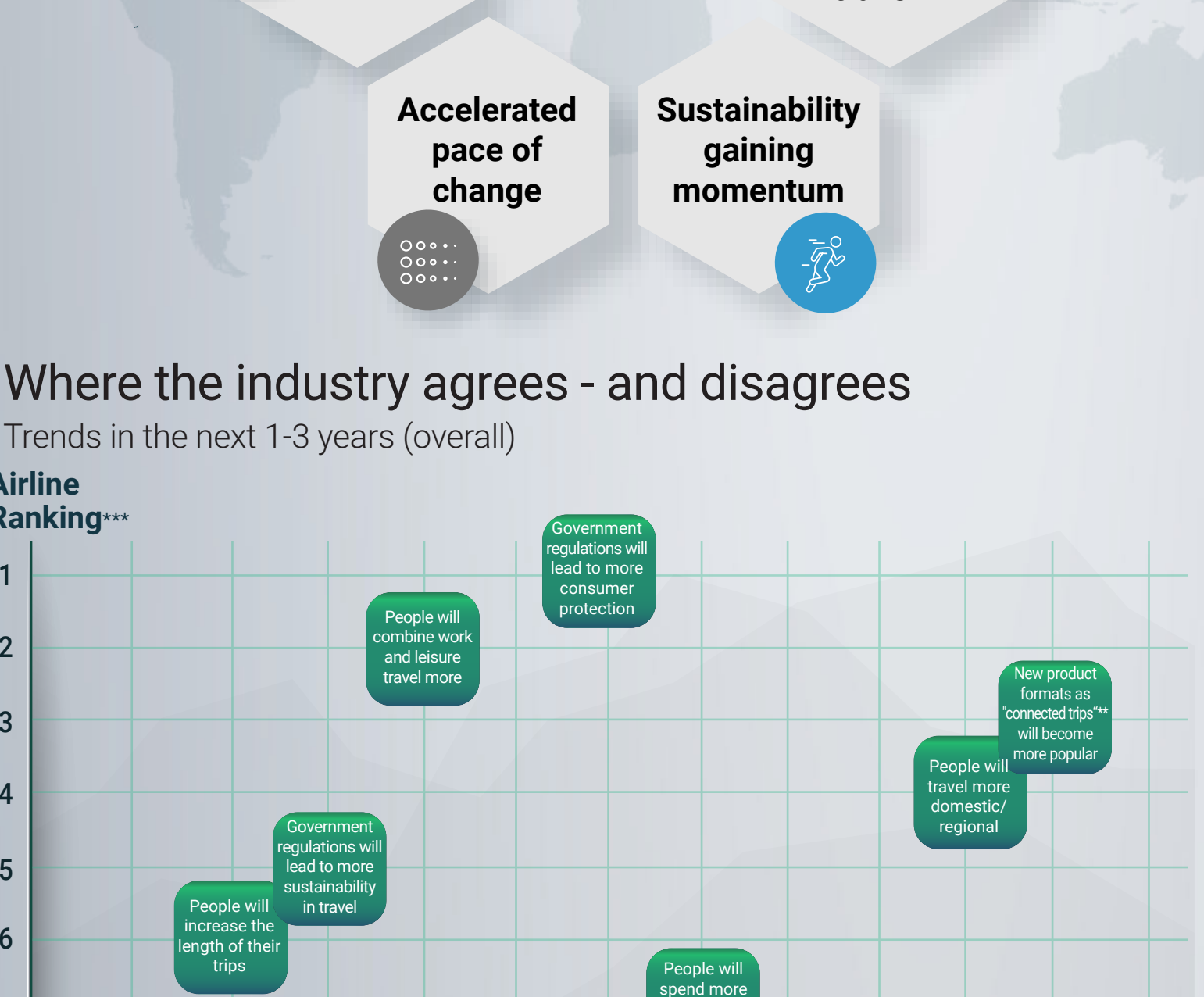
- Travelers considering more decision factors before booking
- Higher importance of information and flexibility
- Travelers show higher willingness to pay to feel more secure

## Impacts on travel businesses

- Increased workload and complexity
- More short-term business, rather than long-term loyalty
- Labor shortages

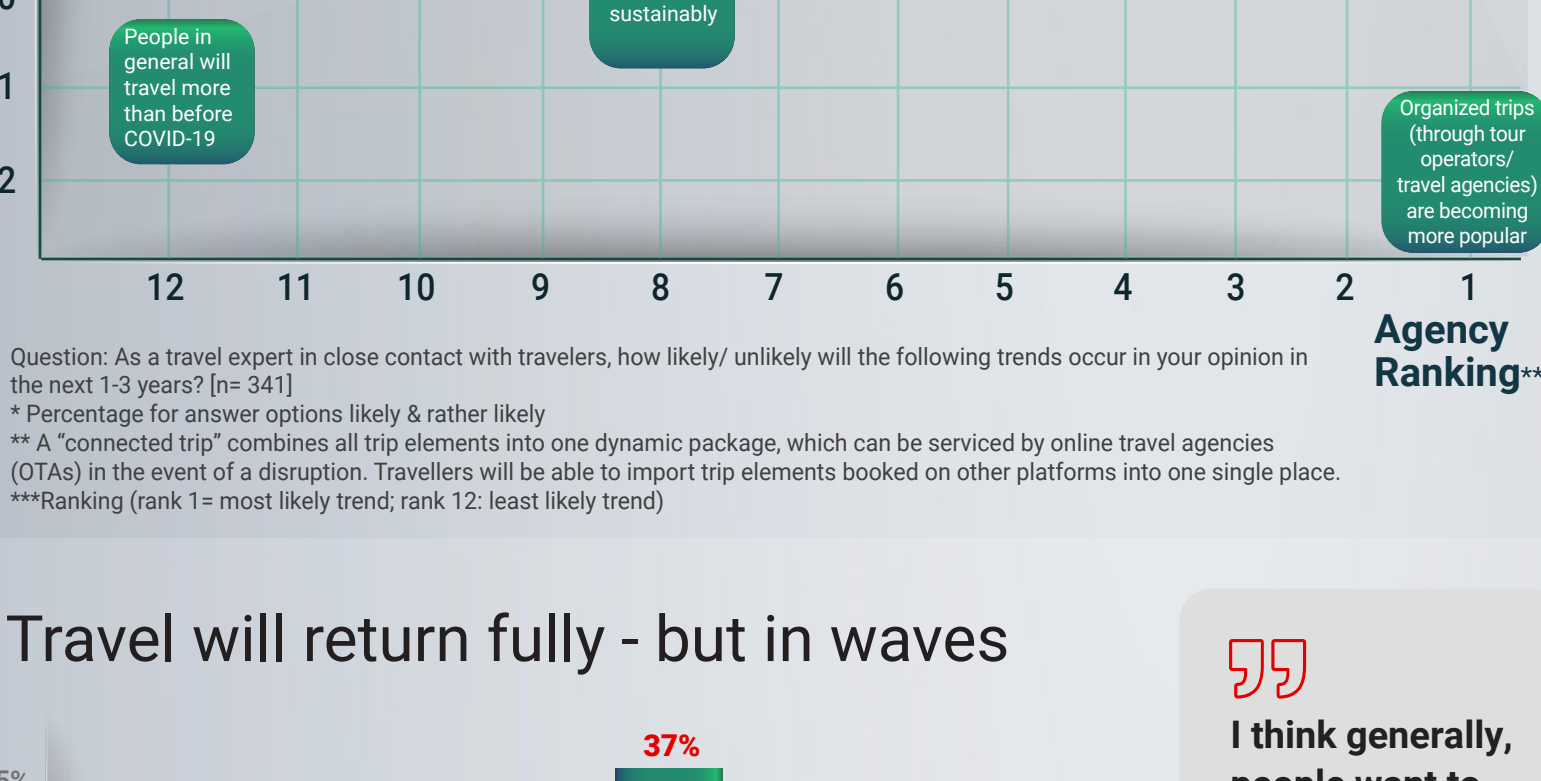
## Implications for the industry

- Need for increased agility and transformation
- Need to offer
  - Focus on building trust
  - Offer real-time information
  - Deliver high quality customer service
  - Add additional value
- Need to
  - Adjust processes & systems
  - Collaborate with other players



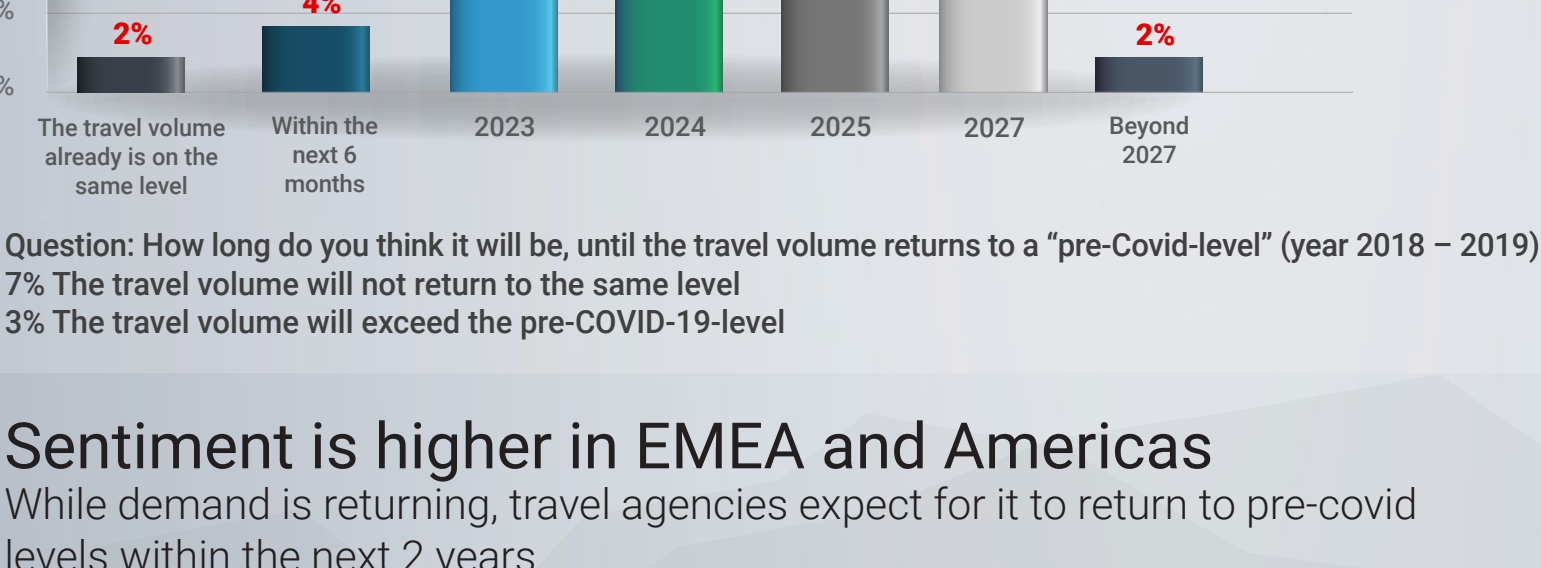
## Where the industry agrees - and disagrees

Trends in the next 1-3 years (overall)



Question: As a travel expert in close contact with travelers, how likely/unlikely will the following trends occur in your opinion in the next 1-3 years? [n= 341]  
 \*\* A "connected trip" combines all trip elements into one dynamic package, which can be serviced by online travel agencies (OTAs) in the event of a disruption. Travelers will be able to import trip elements booked on other platforms into one single place.  
 \*\*\*Ranking (rank 1= most likely trend; rank 12: least likely trend)

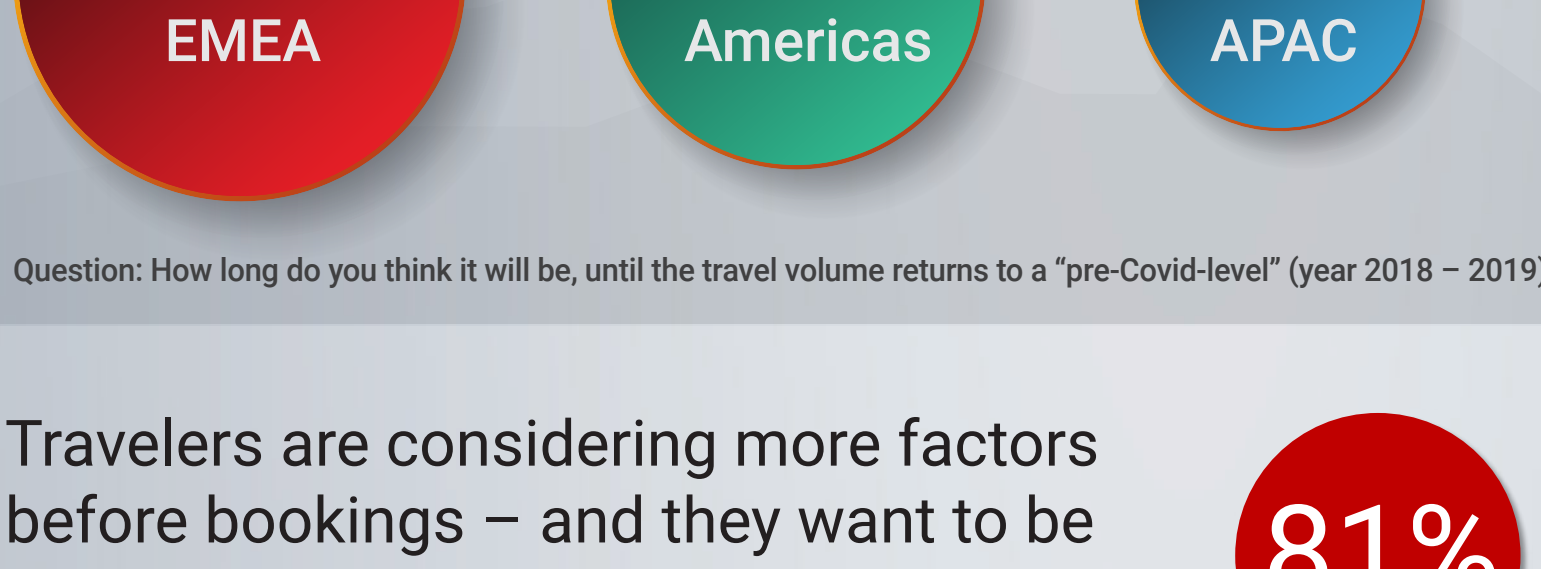
## Travel will return fully - but in waves



**I think generally, people want to travel. Right now, we already see high demand, especially for domestic travel.**  
 Roland Jaggi, Aegeanair

## Sentiment is higher in EMEA and Americas

While demand is returning, travel agencies expect for it to return to pre-covid levels within the next 2 years



## Travelers are considering more factors before bookings – and they want to be able to rely on expert advice

- Consumers are looking at travel as more complex due to the uncertainties and restrictions
- They seek more support and guidance from travel professionals
- Domestic and regional travel remains popular due to lower risks and lower uncertainty

**81%**

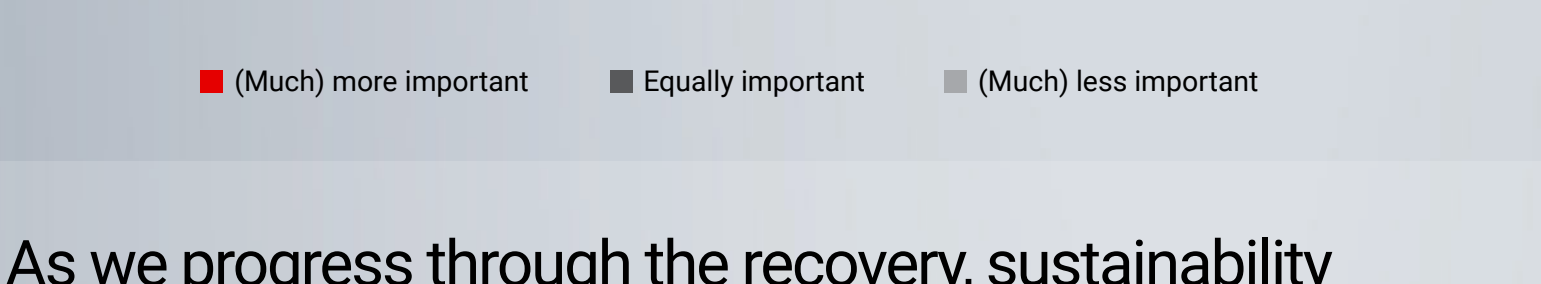
Travel agent respondents think organized trips (through tour operators/travel agents) are becoming more popular

**72%**

Travel agent respondents believe that people will travel more domestically and regionally

## Changes in the world of travel

Airlines and agencies agree that information on restrictions and health measures, as well as flexible booking options, are much more important to customers now than before COVID-19



## As we progress through the recovery, sustainability will again become a top priority

**We're seeing from corporate travel in general questions like: what do we do in terms of greenhouse gas emissions and the sustainability components associated to that.**  
 Stuart McDonald, WestJet

**87%**

- While sustainability has taken a back seat through the early stages of recovery, there is an expectation that this will become a priority, both for customers and the industry itself
- As travel recovers, there is an opportunity to create a more sustainable industry that prioritizes the environment
- In 2021, just 20% of people said that the green/environmental/sustainability credentials of their holiday provider were important to them. That nearly tripled to more than half (54%) in 2021. (ABTA Travel Trends 2022)

Consumers say sustainable travel is important or very important to them  
 The Vacationer 2022

## Leisure "revenge" travel fuels recovery – the right experience replaces price as a top consideration

- Pent-up demand to travel freely again has resulted in an increase in "revenge travel"
- Consumers are looking to make up for the trips and experiences they missed out on during the pandemic
- They are happy to use 'long-term savings or investments' to fund these luxury holidays (Forbes 2021)

## Corporate travel will come back – the question is: what will it look like?

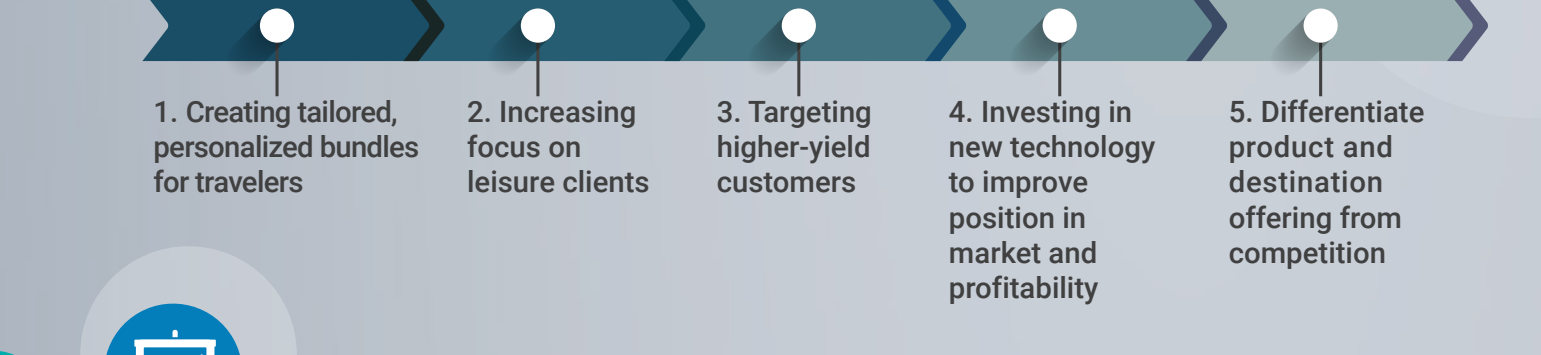
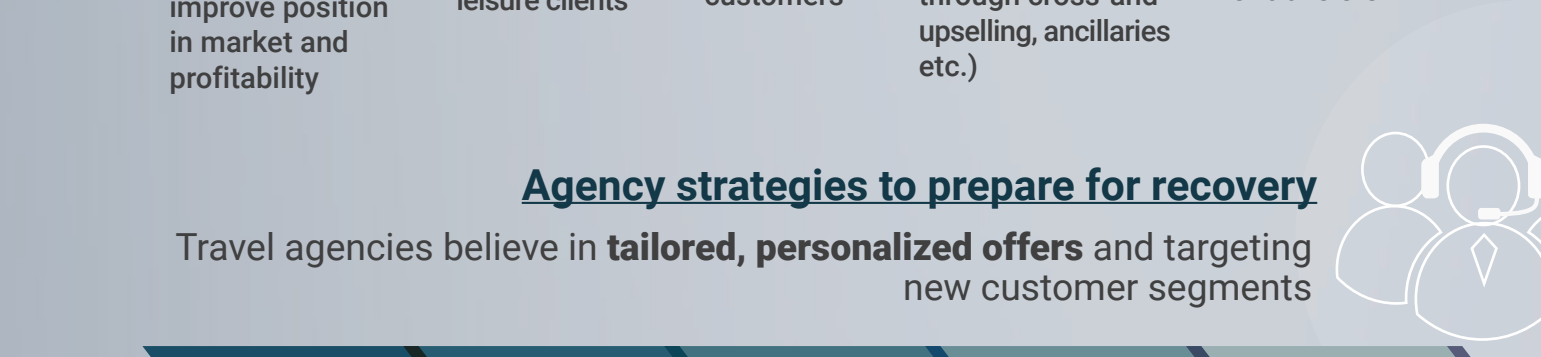
- Corporate culture needs to be rebuilt. In a world where people are working remotely, travel is the new office culture.
- Workspace flexibility creates new opportunities for travel companies to offer new products and services and create value.
- Policies, processes and technologies need to evolve to take advantage of new opportunities.

**82%**

of airline respondents believe that people will combine business and travel more often

## Emerging strategies to prepare for recovery

Similarly on the top strategies they are pursuing, travel agencies are also increasing their focus on leisure clients, targeting higher-yield customers and investing in new technology to improve and better cater to their travelers' demands.



Travel agencies believe in **tailored, personalized offers** and targeting new customer segments

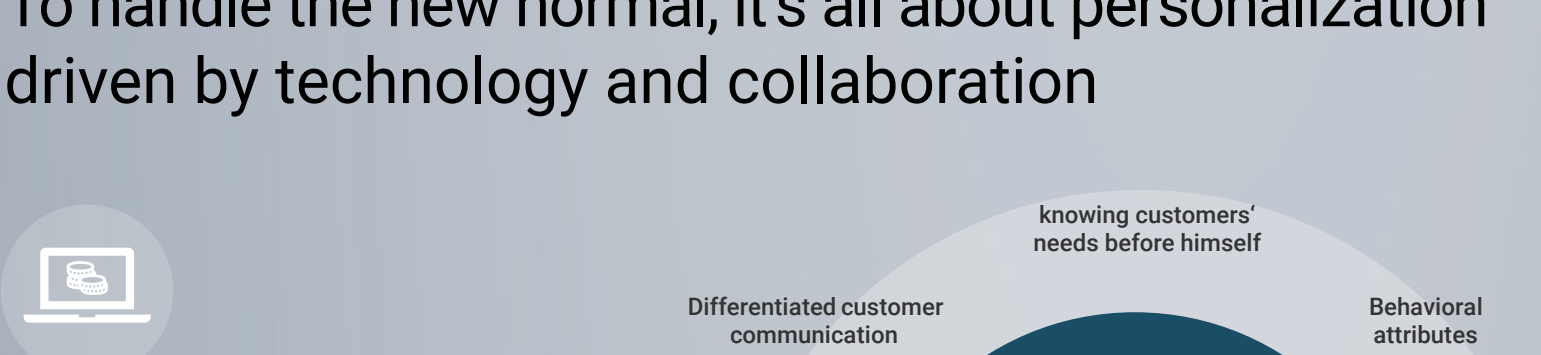
Travel agencies focusing more on new tools, services and technologies, especially in APAC

More than half of the agencies will focus on new tools, services and technologies with APAC leading at 71%

**Top investments that travel agencies and airlines will focus on in the next 1-3 years**

- Agencies' top 3 investments will be **Web-Online-technology, POS technology & New CRM**
- Apart from Web-Online-technology, travel agencies in EMEA are also focused on investing in **Virtual Payments** in the next 1-3 years
- Airline top 3 investments will be **New Distribution Capability (NDC), Systems to support personalized offers & Modern APIs**

## Evolving airline distribution and NDC expectations to prepare for recovery



## To handle the new normal, it's all about personalization driven by technology and collaboration

