

# The Latest Travel Industry Forecast

(Courtesy of Janeen Christoff, Travepulse)

One thing is clear from the latest travel industry research – people are ready to travel and not even high prices and inflation will keep them home.

Travelers' concerns about inflation doubled in 2022, according to the latest research from the [American Society of Travel Advisors \(ASTA\)](#) presented at the National Press Club ahead of ASTA Legislative Day in Washington D.C., on June 21, 2022.

Despite economic pressures, however, people are spending more on travel than anything else. In fact, research showed that the average American family is willing to spend \$200 more per day.

[Lifting the inbound COVID-19 testing](#) increased travel demand for international destinations even more.

A June 14th ASTA survey found that 82 percent of travel advisors agree that their clients are more likely to travel abroad now that the requirement has been lifted, and Caribbean and Western Europe travel is up 25 percent with strong demand for Hawaii, French Polynesia and South America.

## Industry Research From ECTAA

ASTA also featured research from its counterpart association in Europe, the European Travel Agents' and Tour Operators' Association (ECTAA), which represents 32 countries in the region.

Secretary General Eric Dresin provided research that illustrated the uneven global recovery following the pandemic, however, every region is now showing improvement.

Both business travel and leisure travel are making a comeback. Just like Americans, Europeans are planning to travel this summer with plans to go abroad but many are choosing countries that are within the Eurozone.

Also similar to Americans, Europeans' biggest concern about travel is inflation. COVID-19 ranks third behind personal/family reasons.

Dresin encouraged collaboration between Europe and America to create forward-looking policies. Two that have come to fruition are the end of the inbound testing rule and the extension of the EU Digital Covid Certificate.

Looking forward, Dresin noted that there needs to be coordination between the EU and the United States on travel advice, harmonization of testing standards, providing support and access to vaccines to less developed countries and public policies and investment for sustainable travel and tourism.

## **New U.S. Travel Data**

Looking at what U.S. travelers want, Jon Last, president of Sports & Leisure Research Group, presented research from a recent survey of American travelers from May of 2022.

The research confirmed that travelers are traveling despite economic pressures. Travel was the number-one thing Americans are spending on (45 percent) followed by home improvement (40 percent) and home entertainment (36 percent).

In 2023, 41 percent of Americans said that they plan to spend a lot more on leisure travel and two-thirds plan to travel before the end of the year. Half will travel for the holidays and 23 percent will travel for business.

The top domestic destinations for Americans include Las Vegas, Orlando, New York, Nashville, Los Angeles, San Diego, Seattle, San Francisco, Chicago and Denver.

The forecast for 2023 from an international perspective is rosy. Nearly half of Americans are eager to travel and will do so without hesitation next year. Forty-nine percent of people are eager to travel internationally, 38 percent are eager to travel internationally before the end of this year.

Western Europe is the most popular international destination followed closely by the Caribbean at 20 percent. Nine percent indicated travel to Mexico.

Topping the list of European cities are London, Paris, Dublin, Amsterdam, Rome, Athens, Berlin, Munich, Edinburgh and Barcelona.

Three in 10 travelers are planning a dream vacation in the next six months. It is the top discretionary purchase over vehicles, home remodeling, consumer items and second homes.

Eighty percent said that a vacation would do wonders for their mental health.

Travel priorities following the pandemic have shifted. Forty-six percent of people want travel that provides more unique experiences, 49 percent want more customer service and 48 percent want to return to their favorite places.

## **A New Era for Travel Advisors and the Industry**

When it comes to how Americans travel, 71 percent believe that travel planning has become more complex and 43 percent are more likely to use a travel advisor.

"Why would someone have a wealth advisor to optimize their money but not have someone to build a conscious plan to optimize their most valuable asset, their leisure time? asked Matthew Upchurch, chairman and CEO of Virtuoso. "If you have a wealth management planner you should have a life experience planner."

Panelists also discussed the worker shortage in the travel industry.

"I have a new acronym for travel this summer. WTHIE: where the hell is everyone," said Mark Casto, president, leisure Americas, Flight Centre Travel Group. "Every single travel sector is suffering from a lack of labor and it's going to take time to reconcile the problem."

Upchurch added that the industry needs to encourage people to look for jobs in travel and hospitality.

"We need to be more inventive in the way that we merchandise these jobs and present them, and I think companies need to be much more agile in the way that they are going to engage their team members and employees," said Matthew Upchurch, chairman and CEO of Virtuoso. "At the end of the day, any evolved economy becomes a service-based economy, and if you don't figure that one out, you are going to have a lot of issues."

Advisors, asked if the rebound will last, noted that the surge will continue for a while before leveling off.

"We are seeing the surge. The phones are ringing. In our premium luxury, we are seeing double-digit growth," said Kathryn Mazza-Burney, executive Vice President of sales and service at TravelSavers. "Do I believe it will continue? Our 2023 and 2024 numbers look fabulous. Do I think eventually it will level off? I do."

One of the biggest concerns from panelists, industry experts and travel and industry advisors was what to do about the airlines, including pricing and cancellations and how clients can budget for trips.

"We need to find a way to communicate better with the airlines. As advisors we know the routes, we know the lift, we know the value of taking a direct flight or when it's more conducive to drive to a destination," said Kareem George, owner of Culture Traveler, who also noted that working with an advisor helps travelers on a budget because there is a lot that advisors can do to make a trip affordable and workable for clients.

Upchurch recommended clients plan ahead and have a strategy and a framework in this environment.

"If travel advisors tell clients that they are in the business of booking travel, they have lost before they have started," he said. "Communicate to consumers that the best prices are offered early."