

Leisure Travel and Hospitality Booking Trends in 2022



Deal Hunters and Brand Loyalists Coming in Hot!

Beach-side, lake-side, pool-side, mountain-side, summer travel is gaining speed again from all sides after an unpredictable few years. Travelers around the globe are looking forward to major make-up trips this summer. Unfortunately, booking leisure travel this year won't be as glamorous as a day on a Barcelona beach. High prices, limited flight availability, and unpredictable pandemic regulations make it tough to create that summer travel magic.

Lucidworks surveyed consumers in the U.S. and U.K. who travel for leisure at least once a year to understand how brand loyalty, budget, and booking options influence vacation planning and how brands can capitalize on pent-up wanderlust.

Leisure flight bookings took off at the beginning of 2022 and have remained above 2019 levels as testing regulations and mask restrictions continue to lift around the globe. By the end of April 2022, flight bookings were 25% above pre-pandemic levels.¹ "Revenge" travel is heating up for a second summer in a row. Stakes are high with eager consumers taking to their laptops, tablets, and phones to book their dream vacation.

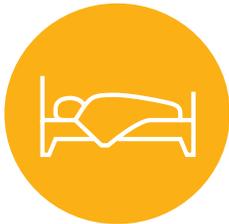
The survey revealed a travelscape of cost conscious bookers, many who are looking to aggregate sites for booking, despite claiming loyalties to hotel groups, airlines, and cruise lines. The search bar reigns supreme in the digital experience as travelers look to book rooms, flights, cruises, and activities on as few sites as possible.

Here are three key takeaways for travel and hospitality brands:

- 1 Loyalty versus price is still up for debate. The number one priority should be understanding your consumer's preferences across the board.
- 2 Travel is multi-faceted and the booking should be too. Make it easy for travelers to book multiple components of their trip with relevant recommendations that suit their preferences.
- 3 Consider the digital experience beyond booking. Ensure consumers can access information, recommendations, and customer service through the search bar and chatbot.

The Brand Loyalist

THE TOP 3 BRANDS TRAVELERS ARE LOYAL TO ACCORDING TO THE SURVEY



HOTELS

WHICH HOTEL GROUPS ARE RESPONDENTS MOST LOYAL TO?

- 1 Hilton Worldwide
- 2 Premier Inn
- 3 Best Western

28% not loyal to any hotel group



AIRLINES

WHICH AIRLINES ARE RESPONDENTS MOST LOYAL TO?

- 1 British Airways
- 2 American Airlines
- 3 Delta

30% not loyal to any airline



CRUISE LINES

WHICH CRUISE LINES ARE RESPONDENTS MOST LOYAL TO?

- 1 Royal Caribbean
- 2 Disney Cruise Line
- 3 Princess Cruises

54% not loyal to any cruise line

1 Brand Loyal Versus Cost Conscious

Travelers were mixed on whether or not they're consistently brand loyal. Roughly three in ten respondents said that they're not loyal to particular hotels or airlines, and that number was even higher for cruises. Loyalty was strongest among respondents between 18 and 34 years old—the majority identified airlines that they were loyal to, with only about 20% saying that they're not loyal to any airline.

With rising gas prices and inflation, loyalty can be finicky. Only 7% of respondents said that they will never book outside of their loyalty. **When asked for the most common reason they'd book outside of loyalty, 58% of respondents named price. The majority of travelers said that a \$100 price difference or less between their loyalty and another brand would drive them to book with another brand.** This held true regardless of gender, location, and age of the respondents.

Even the majority of people who said their travel persona was “Lover of Luxury” will still book outside of loyalty if the price difference gets up to \$100. Travelers are sensitive to price. And when you combine that with peak summer travel costs and inflation, it's likely shoppers are booking outside of their loyalties this summer.

However, two-thirds of respondents say the top reason they would book brand loyal, even if it's more expensive, is because of familiarity with the brand. A close second reason was to earn points for future trips. Respondents also cited a simpler booking process since the brand already knows them, free checked bags, and positive past experiences as reasons to choose brand over price.



Nearly 20% of respondents said that they prioritize cost over loyalty and will *never* book the more expensive option.

For the travelers who are getting up and out at least three times a year for leisure, brand loyalty is stronger than for those who travel less. Travel and hospitality brands should focus on how they can make once-a-year travelers feel like frequent fliers.

“Consumers casually browsing your site, using the search bar, and clicking on promotions are dropping clues to how they prefer to travel,” explains Katie Boschele, Senior Product Manager, Lucidworks. “Advanced technologies can pick up search and browse behavior and instantly improve recommendations, filters, and add-ons to help the customer imagine (and book) a dream trip.”

HOW FREQUENTLY DO YOU TRAVEL FOR LEISURE?

I travel 1-2 times a year.



I travel 3-4 times a year.



I travel more than 4 times a year.

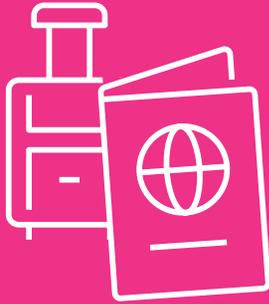


TRAVEL BRANDS TAKE NOTE

Here are some questions to consider about loyalty:

- Can you update search results, filters and recommendations to suit customer preferences in real-time?
- Do you know which perks keep loyal customers coming back? And do you highlight them when you know cost could take their wallets elsewhere?
- Are loyal customers receiving a connected, highly relevant experience across all touchpoints?

HOTELS VS. RENTAL HOMES



Do you prefer to book a hotel room OR rent a home/apartment through a platform like Airbnb/VRBO/Cottages.co.uk?

I prefer a hotel room



I prefer to rent through a platform like Airbnb or VRBO



No preference



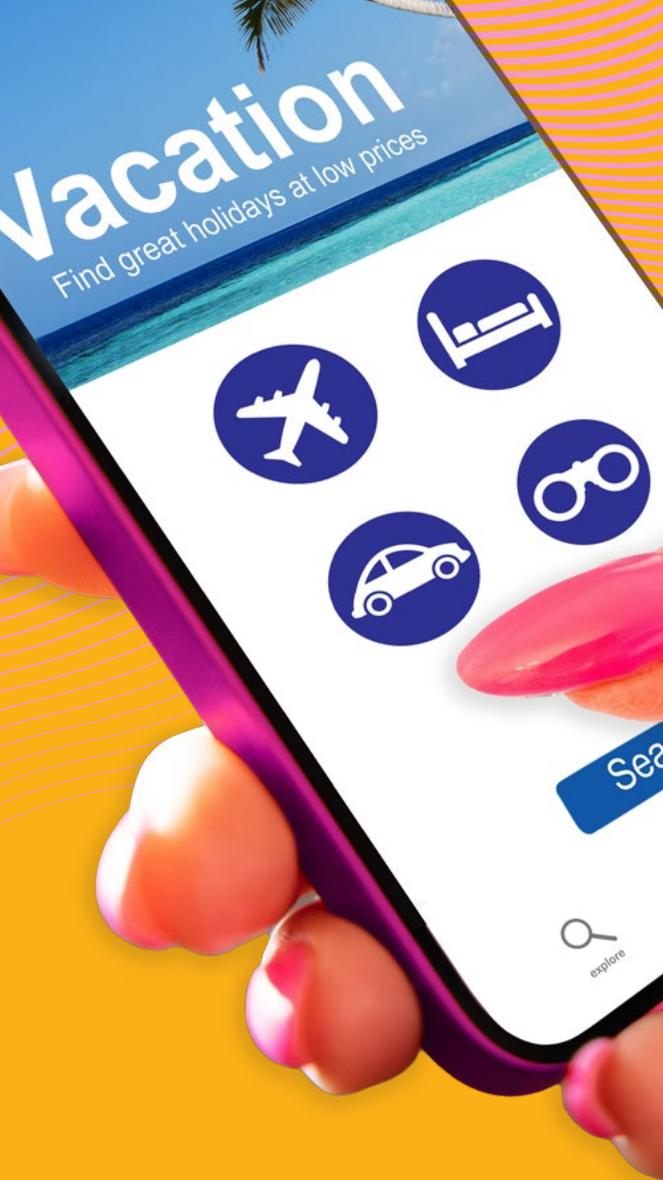
What is the top reason respondents prefer a hotel room?

85% of respondents enjoy the hotel's amenities, i.e. room service, housekeeping, onsite dining, etc.



What is the top reason respondents prefer an Airbnb or VRBO?

58% of respondents say they like having a kitchen and prefer to have a space that isn't shared by other guests.



2 Aggregate Booking Sites Travel Well

40% of survey respondents described themselves as “Deal Hunters”. And a deal hunter knows that sometimes the best deals are found on aggregate booking sites. People booking flights and cruises were evenly split in their preference for using an aggregate site versus going directly to a brand’s website. Hotel room shoppers were slightly skewed towards booking on a site like Expedia or Kayak, with 53% preferring to book on an aggregate site.

The allure of an aggregate site for booking extends beyond getting a good deal on flights, rooms, and cruises. Tourism spending on “experiences” like restaurants and concerts is roughly 34% above pre-Covid levels and has been outpacing spending on “things” since July 2021.¹ **The survey revealed that 56% of travelers prefer the simplicity of booking everything on as few sites as possible (restaurants, hotels, activities, flights, rental car, etc). And 24% said that a lack of recommendations for these additional activities was one of the most common frustrations of the booking experience.**

TRAVELERS RANK THEIR FAVORITE (#1) TO LEAST FAVORITE (#6) RESOURCES FOR RESEARCHING AND BOOKING:

- 1 Review sites (Trip Advisor, Yelp)
- 2 Personal recommendations from friends
- 3 Recommendations from travel and hospitality brands (airlines, cruise lines, hotels)
- 4 Travel guides (Lonely Planet, Fodor’s Travel, Frommer’s)
- 5 Travel blogs (The Points Guy, Hey Ciara, A Lady in London)
- 6 News outlets (NYTimes, BBC, The Independent)

WHICH OF THESE MOST ACCURATELY DESCRIBES YOUR VACATION PLANNING STYLE?



Deal Hunter
40%



Brand Loyalist
14%



Adventure Seeker
22%



Last-Minute Booker
14%



Lover of Luxury
12%

While more than a quarter of travelers frequently turn to a brand's website to seek out recommendations for activities in the area they're going to, nearly 45% enjoy doing their own research around the web and booking across multiple sites so they can personally tailor every option and price point. Review sites like Trip Advisor and Yelp are the #1 spot travelers use to research a trip, followed by personal recommendations from friends as a close second.

One-stop shoppers want to access a mix of offerings without having to navigate between different sections of the site. Companies like Airbnb have managed to capture, in addition to lodging options, a mix of personal recommendations and activities hosted by locals, making it all book-able in one place. This requires a level of complexity in search and browse that many sites aren't capable of.

For example, a Lucidworks customer that generated nearly \$13 billion in annual revenue offered golf packages and other recreational

experiences, but only lodging was included in its website search. A complete overhaul of the system provided search for its world class food and beverage offerings, transforming the perception that all it offers are hotel rooms and giving customers one stop to book more than just a hotel.²



TRAVEL BRANDS TAKE NOTE

Here are some questions to consider about booking multiple trip components:

- Can you streamline booking across owned entities (ie, restaurants, hotel rooms, excursions)?
- Are you able to proactively recommend activities based on customer preferences?
- Is this information available via a variety of touchpoints — ie, search bar, chatbot, FAQ page?

3 First-Class Booking Needs First-Class Technology

Whether you're an aggregate booking site like Expedia or American Airlines' own brand site, the digital experience is key to keeping travelers coming back. Half of survey respondents say the most common reason they get frustrated with online booking is hitting a dead-end when availability doesn't fit, and a website doesn't offer additional recommendations. Considering 55% of travelers pick their dates first before they begin searching, it can be tough to guarantee smooth sailing for the online booking experience.

Sites should be tracking which parts of the site users are navigating to and measuring performance.

The survey asked which website features travelers most commonly use. The all-out winner?

The search bar! 67% say they use the search box when on a travel brand's website.

Unfortunately, a third of respondents said that bad search results are one of the most common reasons they get frustrated with the online booking experience.

The trip isn't done when it's booked. What happens if something goes wrong during a trip? When plans change? When travelers need support? **A quarter of respondents say that they use virtual assistants or chatbots to troubleshoot issues while they're on a site and nearly 20% say it's the first place they'll go when they're having an issue during a trip.** However, nearly two in ten respondents say that one of their biggest frustrations on a travel and hospitality site is that there's not an option to connect with a virtual assistant.

4-night all inclusive in Mexico with pool



Leisure Travel and Hospitality
Booking Trends in 2022

Lucidworks

Virtual assistants can serve multiple purposes, but the two most popular uses were to find something cheaper or to find a local recommendation for an activity or restaurant. But don't just add a virtual assistant because that's what everyone else is doing. Make sure that it functions properly to support customers. The payoff is worth it — one Lucidworks customer saw a 23% reduction in customer service expenses by adopting and investing in self-service channels like chatbots and virtual assistants.

Time sensitive issues have more customers reaching for the phone — 49% pick up the phone and call customer service when a problem arises. A chatbot without a customer service representative that can quickly access and understand previous interactions doesn't work. Brands need digital channels to connect with the humans who are on the front line of service.

WHEN YOU'RE ON A TRAVEL AND HOSPITALITY SITE, HOW DO YOU USE VIRTUAL ASSISTANTS/CHATBOTS?

To find something cheaper



To find a local recommendation for activity or restaurant.



To troubleshoot issues that happen while I'm on my trip.



To change or update my reservation.



N/A; I don't use virtual assistants or chatbots.



TRAVEL BRANDS TAKE NOTE

Here are some questions to consider about the digital experience:

- Are you capturing customer behavior to inform the experience?
- Do you know where your customers are interacting with your site (ie, search bar, chatbot, FAQs)?
- Does customer behavior inform results for search, chatbot, and customer service agent portals in the moment?

Book Boldly This Year

People are ready to get the heck out of dodge and we can guarantee they don't want to be tripped up by a confusing online experience. Travel, hospitality brands, and aggregators need to understand traveler preferences around booking, site navigation, and recommendations to help them get to their promised land or cabin or beach or wherever. Don't disappoint!

Lucidworks can help you create an experience where online browsing and booking, customer support, and relevant recommendations exist in perfect harmony. We put a powerful ecommerce search solution behind the search bar, chatbots, and so much more to build a best-in-class digital experience. Lucidworks captures user behavior and utilizes machine learning to simplify consumer engagement and booking paths, and increase customer loyalty and conversions.

Get Started >

Learn how Lucidworks can connect your customers to the vacation of their dreams with simplified booking, on-the-nose recommendations, and killer customer service.

¹ <https://www.mastercardservices.com/en/reports-insights/economics-institute/trends-transitions-report>

² <https://lucidworks.com/ebooks/case-study-hospitality-one-stop-shop/>