



Travelers on the move again

Traveler sentiment survey

The travel industry is gradually moving again, but predicting travel demand is challenging in a rapidly changing environment. For now, self-quarantine measures required when traveling from high risk areas continue to keep most would-be travelers homebound. The good news: Once consumers take that first trip in this new environment, they are far more willing to travel again. However, a number of other factors — most of which stem from uncertainty — could continue to influence consumer travel behavior.

To stay current with evolving expectations, attitudes and behaviors about travel, PwC surveyed more than 1,000 consumers nationwide during the week of July 8, 2020, following an earlier survey conducted in April. All respondents had taken at least one flight or spent at least one night in a hotel in 2019.



Once consumers travel again, they are vastly reassured

Most consumers are still wary of travel, but those who have traveled recently report a substantial increase in confidence. Among respondents who have traveled since May, 58% expect to book additional air travel within three months (compared to 46% in our April survey), while 74% expect to stay at a brand-name hotel (compared to 57% in April).

In contrast, survey respondents who have not traveled since May said they were less likely to travel in three months, with only 26% anticipating air travel and 38% expecting to stay in a brand-name hotel. The gap — between those who traveled in May and those who didn't — persists through a 12-month period.

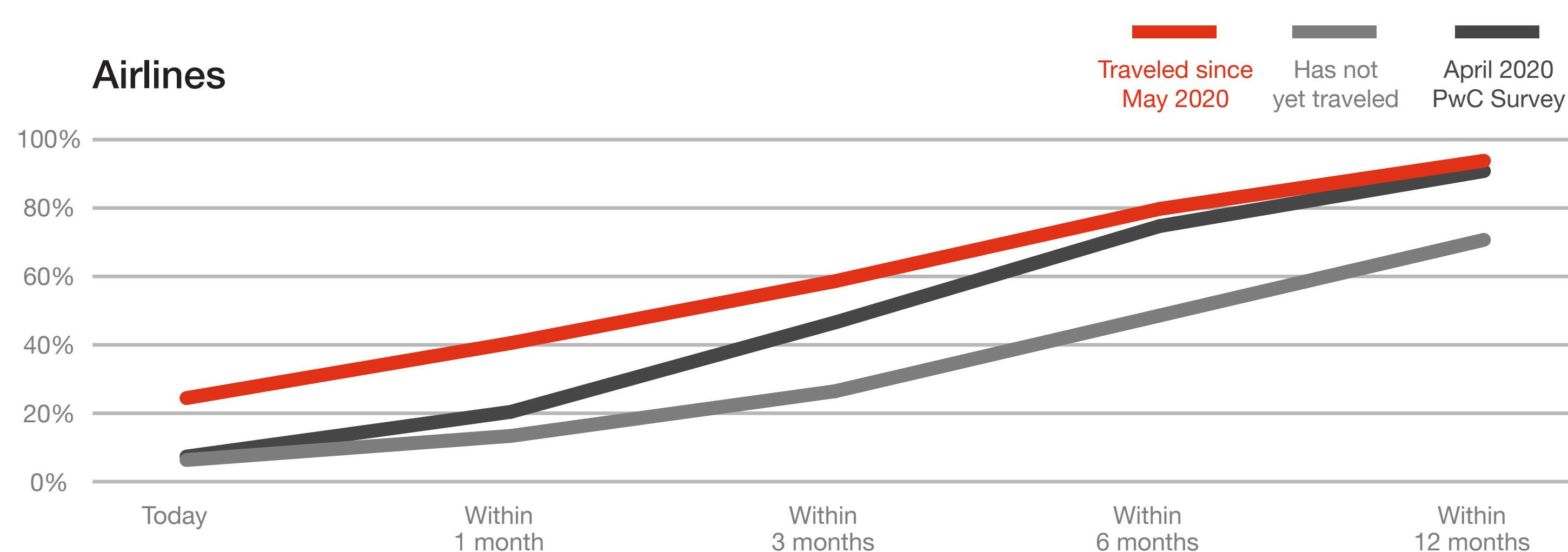
Consumers who traveled since May also show a dramatic decrease in anxiety. Before they traveled, only 11% said they were not concerned about health and safety measures during air travel and only 16% said they were not concerned during hotel stays.

After they traveled in May, the share of those who were not concerned about health and safety measures almost quintupled for air travel and more than tripled for hotel stays. In both cases, 50% said they were not concerned. In fact, they said that they are so comfortable with the health and safety protocols currently in place that they are more likely to select travel providers based on price — unlike earlier in the year, when safety mattered most.

Implications

To meet travelers' expectations, figure out what they value — based on both their behavior and what they're telling you. Use data and demand intelligence algorithms to assess leading indicators of travel recovery before tailoring specific messages to travelers — whether confident or reluctant ones. A one-size-fits-all approach won't work. Meanwhile, don't overlook consumers who might be willing to try your brand for the first time because their outlook on travel is evolving.

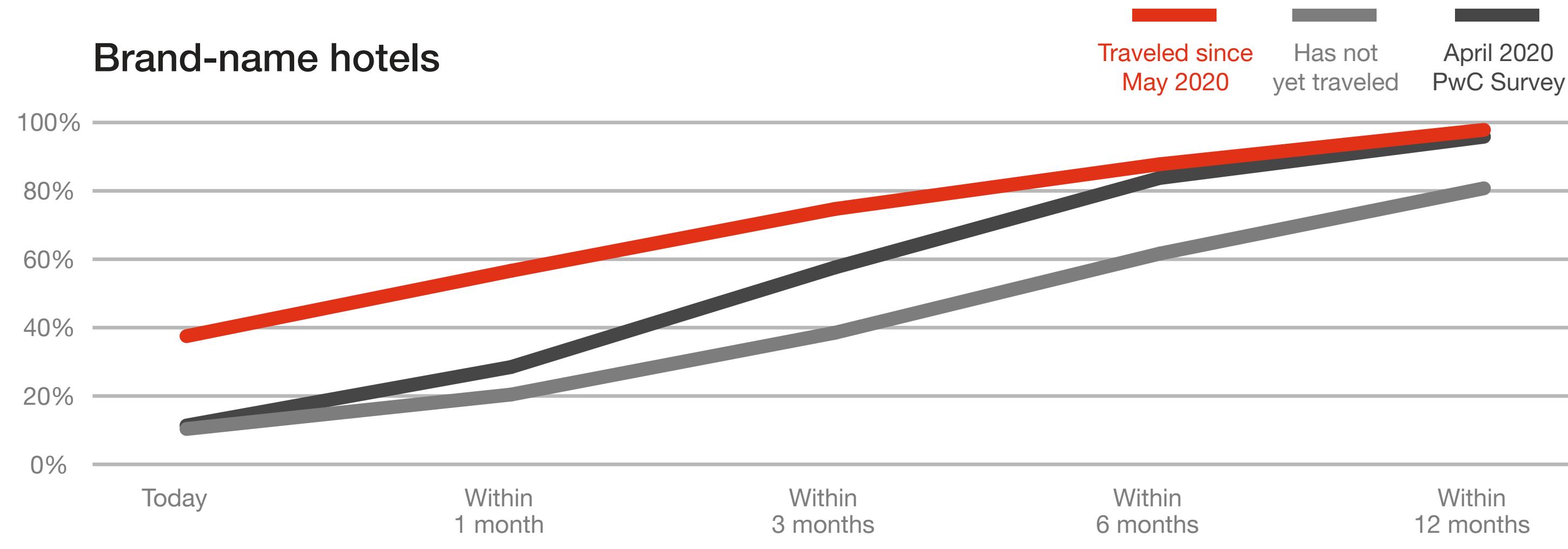
Taking a trip paves the way for more travel



Source: PwC Traveler Sentiment Survey, July 2020.

Base: July = 1,014, April = 1,005

Q: As of today, when do you believe you will personally feel comfortable traveling once social distancing restrictions have been lifted?

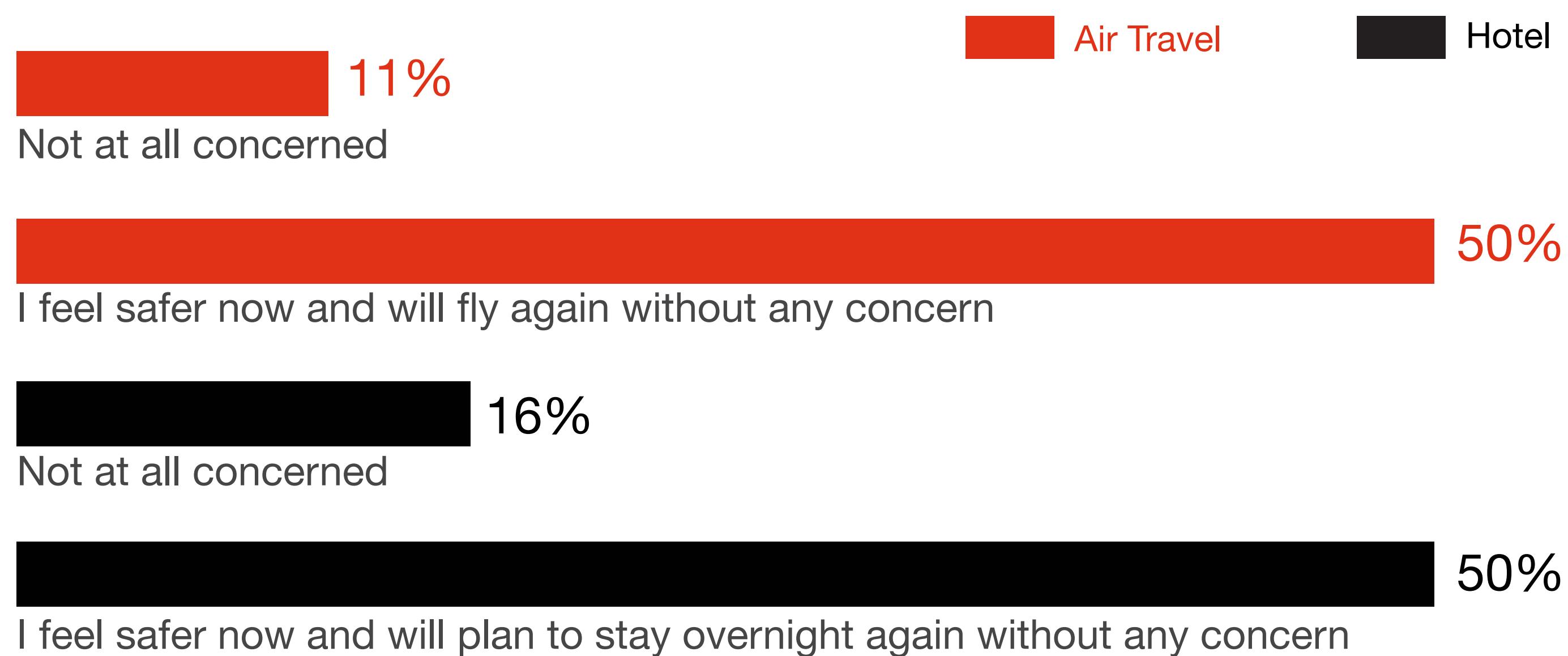


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Q: As of today, when do you believe you will personally feel comfortable traveling once social distancing restrictions have been lifted?

Traveling eases anxiety



Source: PwC Traveler Sentiment Survey, July 2020.

Base: Flight = 113, hotel = 203

Q: How did your flight or hotel experience influence your feelings about traveling again?



Travelers are up for grabs

During the initial phase of the pandemic, consumers prioritized brand trust, which they equated with health and safety measures. For those who have traveled since May, however, price is now the top consideration for both airlines and hotels. Brand loyalty is also in flux, as more than 37% of the consumers surveyed are likely to switch airlines, while 41% are likely to switch hotels. Almost 40% are undecided, making them prime candidates for targeted offers.

Meanwhile, customers who provide the most value to travel providers — high-value customers — are most likely to explore switching brands. More than half (55%) say they are extremely or somewhat likely to explore new air travel brands or loyalty programs, and almost 60% express similar sentiments about hotel programs. Their reasons are varied, suggesting that travel providers should explore their high-value customers' brand loyalty in greater depth.

Implications

Consumers are already making room for new possibilities in the wake of the pandemic, so travel providers should go beyond protecting existing loyalty members with extended expiration dates for points or miles. Our survey data illustrates that purchase drivers vary widely among status levels within

loyalty programs. It's important to understand these and other differences, identify pockets of demand and then develop data models to create targeted campaigns to attract, reward and retain customers. Pay special attention to high-value customers.

Why high-value members may switch loyalty programs

 Air Travel  Hotel



Ability to obtain loyalty status at multiple brands with extended status and point/mile expiration dates



Greater trust in other brand's safety protocols based on brand communications



I am not satisfied with my current preferred brand experience



New brand has better loyalty program to accrue, redeem, and/or transfer points/miles



New brand has better pricing, offers or packages



New brand is more suited to my future travel plans



Opportunity to experience a new brand, benefits, and experiences

Source: PwC Traveler Sentiment Survey, July 2020.

Base: 267

Q: Which factors influence your willingness to try a new brand



Risk remains ever-present

In July, consumers continued to be just as wary of gathering in large numbers as they were when we asked the question in April. The majority of respondents — 76% — also said they would avoid gathering places such as restaurants, lounges, retail stores and other common areas in airports. For the foreseeable future, airport travelers are less likely to linger while shopping, eating, drinking or relaxing between flights. The opportunity here is for touchless digital innovation that allows travelers to navigate airports while staying healthy.

Our survey respondents also are as cautious as ever about which sources to trust for guidance on public health and safety measures. The Centers for Disease Control and Prevention (CDC) remains the most trusted source for travelers, with 66% of consumers putting their faith in CDC guidelines, compared to 59% in April. Meanwhile faith in government entities and private companies is lower than it was three months ago.

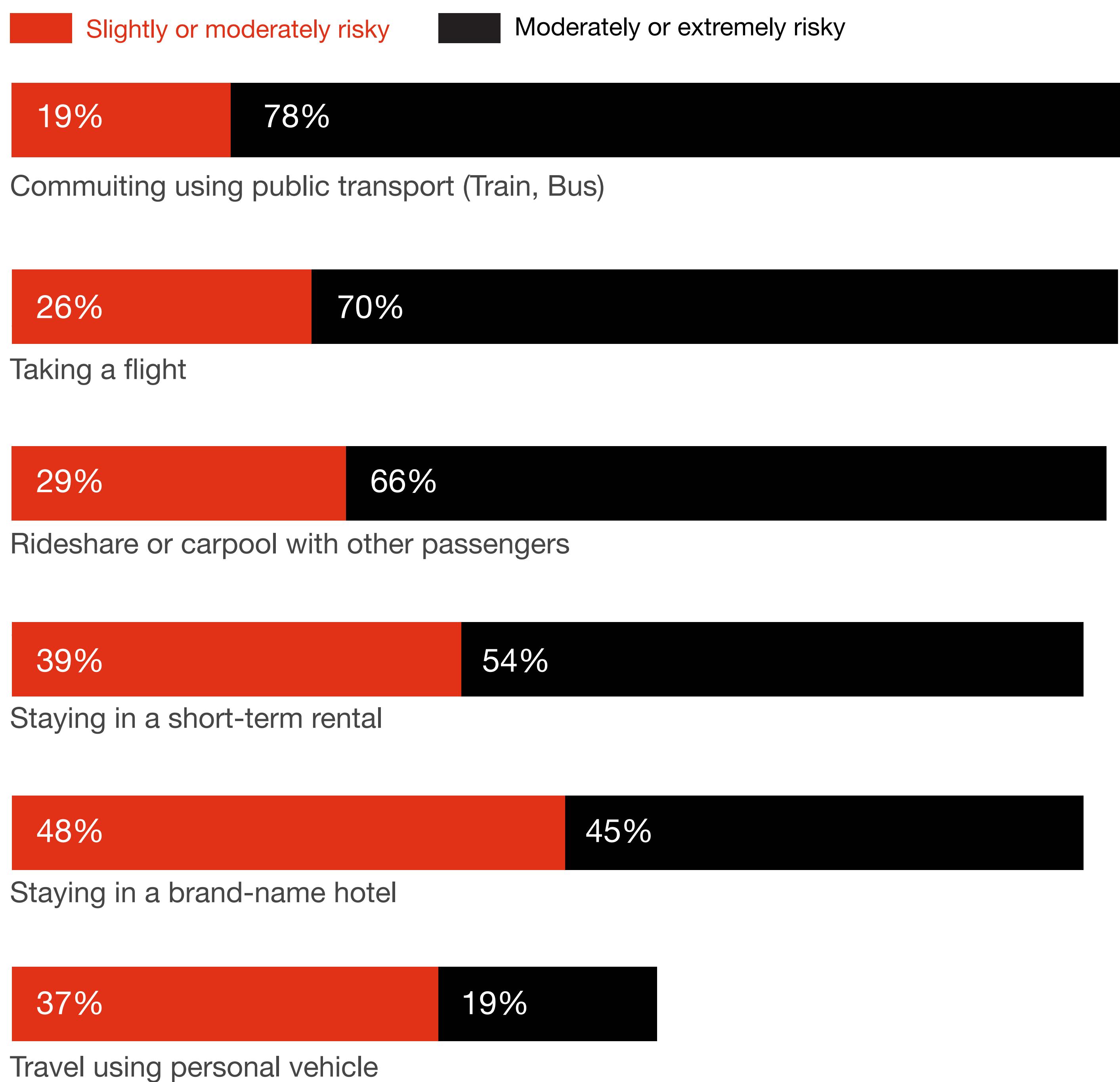
Implications

Even as confidence in travel grows, change is imminent. Without clear insight into that change, appealing to potential travelers is next to impossible. Travel providers should use demand intelligence tools, such as PwC's Insights Platform, to identify regional and national travel trends and discover what appeals to various segments of travelers.

While consumers may not trust private companies as sources for their public health and safety information, they do rely on communications from airlines, hotels and short-term rental companies to make travel choices. The path

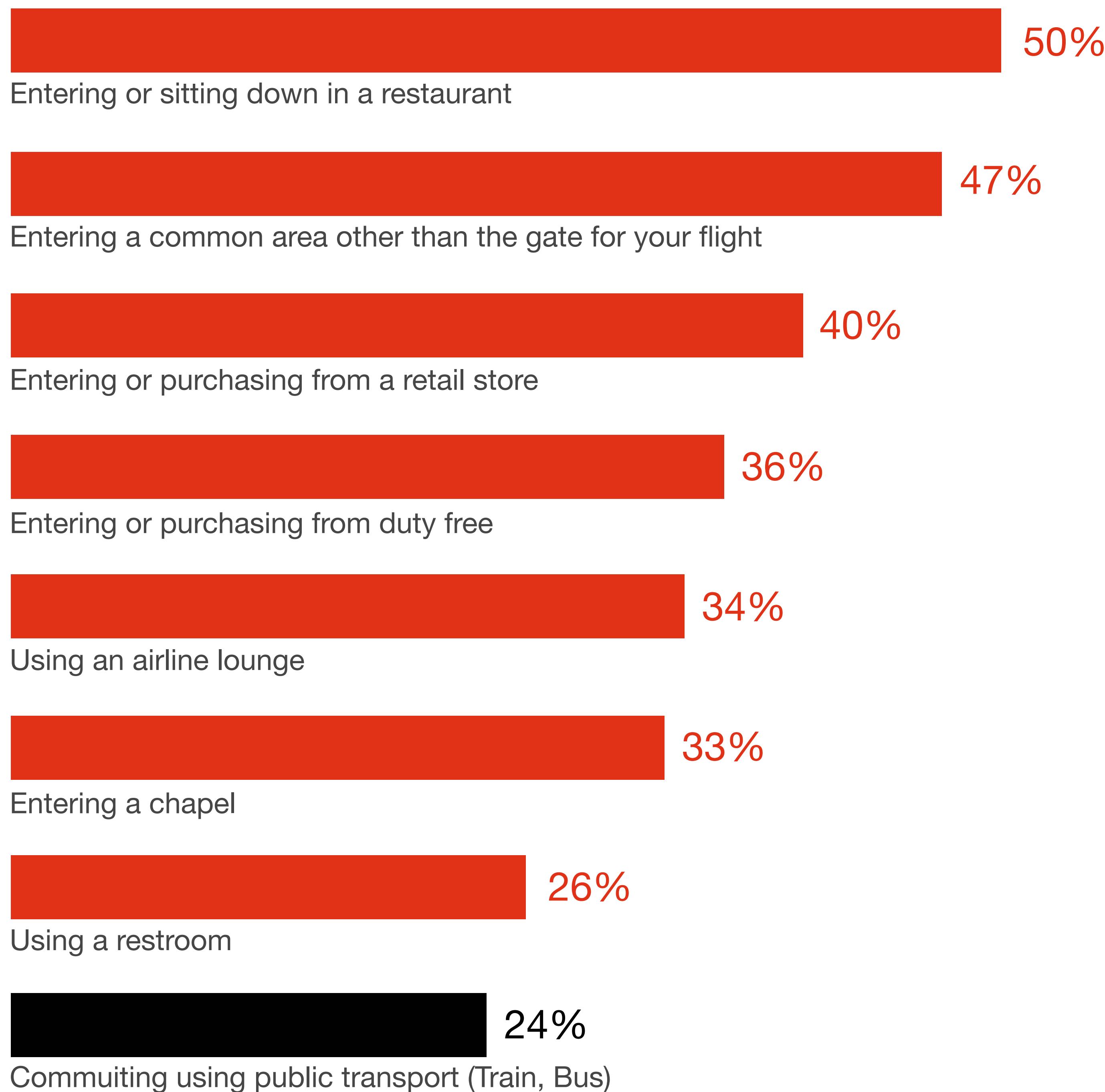
ahead for travel, transportation and hospitality companies is clear: Align your customer communications with information from trusted sources. And explore touchless digital innovation to allow your customers to navigate the travel experience more safely and effectively.

Perceived risk of various travel options



Source: PwC Traveler Sentiment Survey, July 2020.
Base: 1,014
Q: Today, how would you rate the risk of traveling in the following ways?

Travelers will avoid gathering places at airports



Source: PwC Traveler Sentiment Survey, July 2020.

Base: 1,014

Q: Thinking ahead to your next airport experience, will you avoid any of the following activities?



Travelers 40 years old and younger are the most willing to pay for increased physical space between themselves and fellow travelers.



Consumers want to hear from travel providers

Consumers told us in no uncertain terms that they want to hear from their travel providers. They are eager to receive clear, consistent, ongoing information about safety measures that can protect their health when they travel.

In fact, 80% of consumers told us they make choices about where to stay or how to get there based on communications from their travel providers. They also told us they are not satisfied with the communications they are currently receiving.

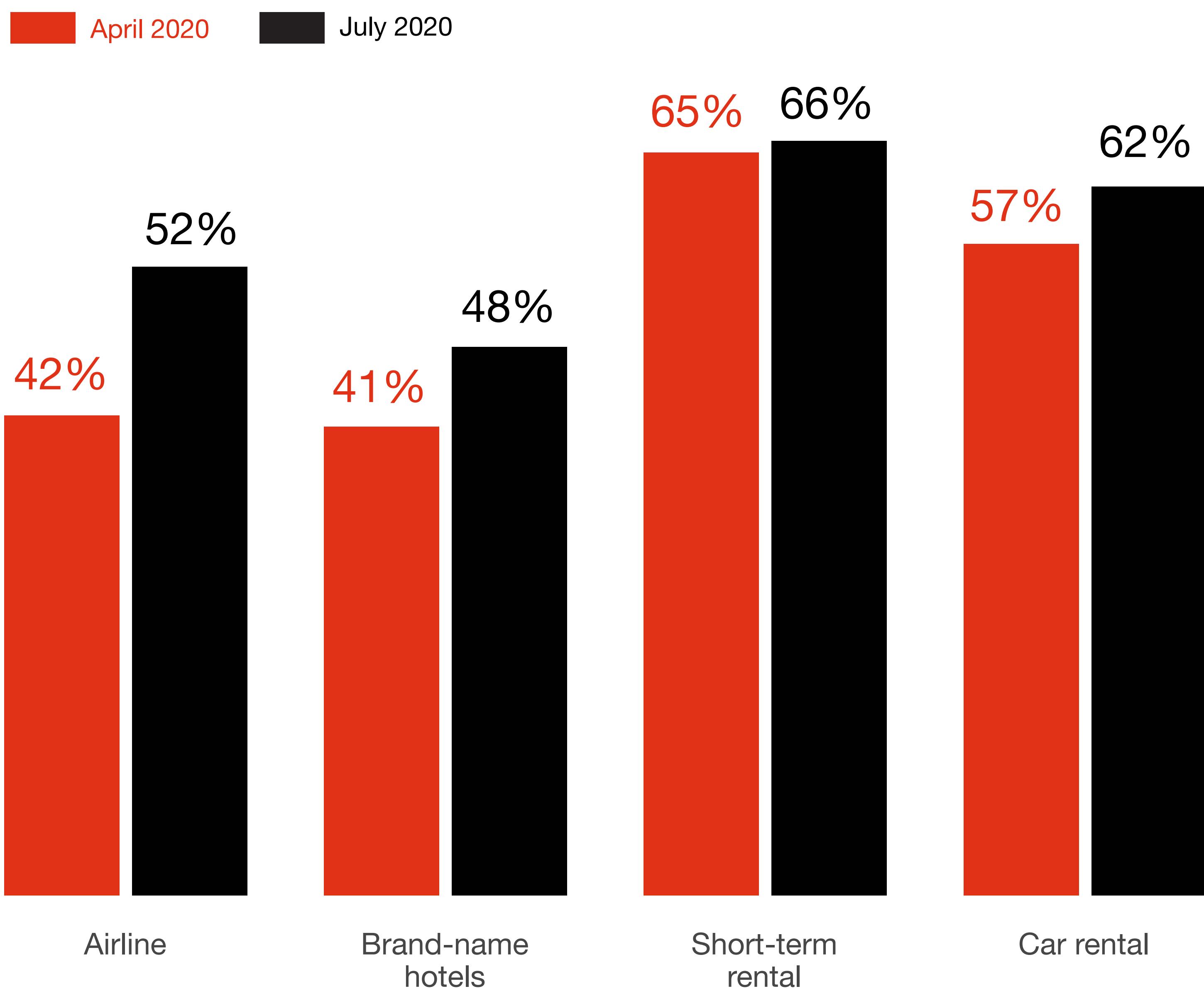
Implications

Having already implemented a raft of comprehensive safety protocols based on the most current guidance from medical experts, travel, transportation and hospitality companies need to complete the circle by communicating the breadth of those safety measures to reassure consumers.

Reach consumers in every channel they might expect, both digital and physical, with clear, consistent, ongoing information about ongoing safety protocols so they have ample reassurance before they make their travel plans.

Use those connection points with existing customers to cement loyalty, while also targeting new customers with features that might appeal to them. With many travelers primed to switch brands or loyalty programs, the time to act is now.

Consumer dissatisfaction with communications from travel providers inches up



Source: PwC Traveler Sentiment Survey, July 2020.

Base: 1,014

Q: As of today, how satisfied are you with communications from travel brands (i.e., airlines, hotels, car rentals) on handling COVID-19 to improve and ensure the safety of their customers and employees? % responding NOT satisfied

80% of consumers make travel choices based on the communications they receive from their travel providers.



Guarded optimism for travel and hospitality

The isolation felt in the early stages of the pandemic has led to an increased desire in many consumers to reconnect in person — both for business and personal reasons. And the surge in confidence seen among consumers who have traveled bodes well for travel, transportation and hospitality companies.

While uncertainty about the public health implications of COVID-19 continues, consumer trust in the scientific and medical community offers travel providers an opportunity to implement safety measures based on scientific guidance.

These businesses are also well-advised to communicate consistently in order to reassure consumers about their health and safety. Meanwhile, demand intelligence tools that combine leading indicators of travel recovery with public health mandates and consumer preferences can provide insights into upcoming trends in the months ahead.

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