

US travel plans—and prices—are reaching pre-pandemic levels. Here's how marketers can capture that demand

Article

The news: US adults' travel plans are returning to pre-pandemic levels: In a May 2020 Morning Consult **poll**, 64% of respondents said they planned to travel domestically this summer, slightly more than the 63% who said they traveled at least once during an average, pre-pandemic summer.

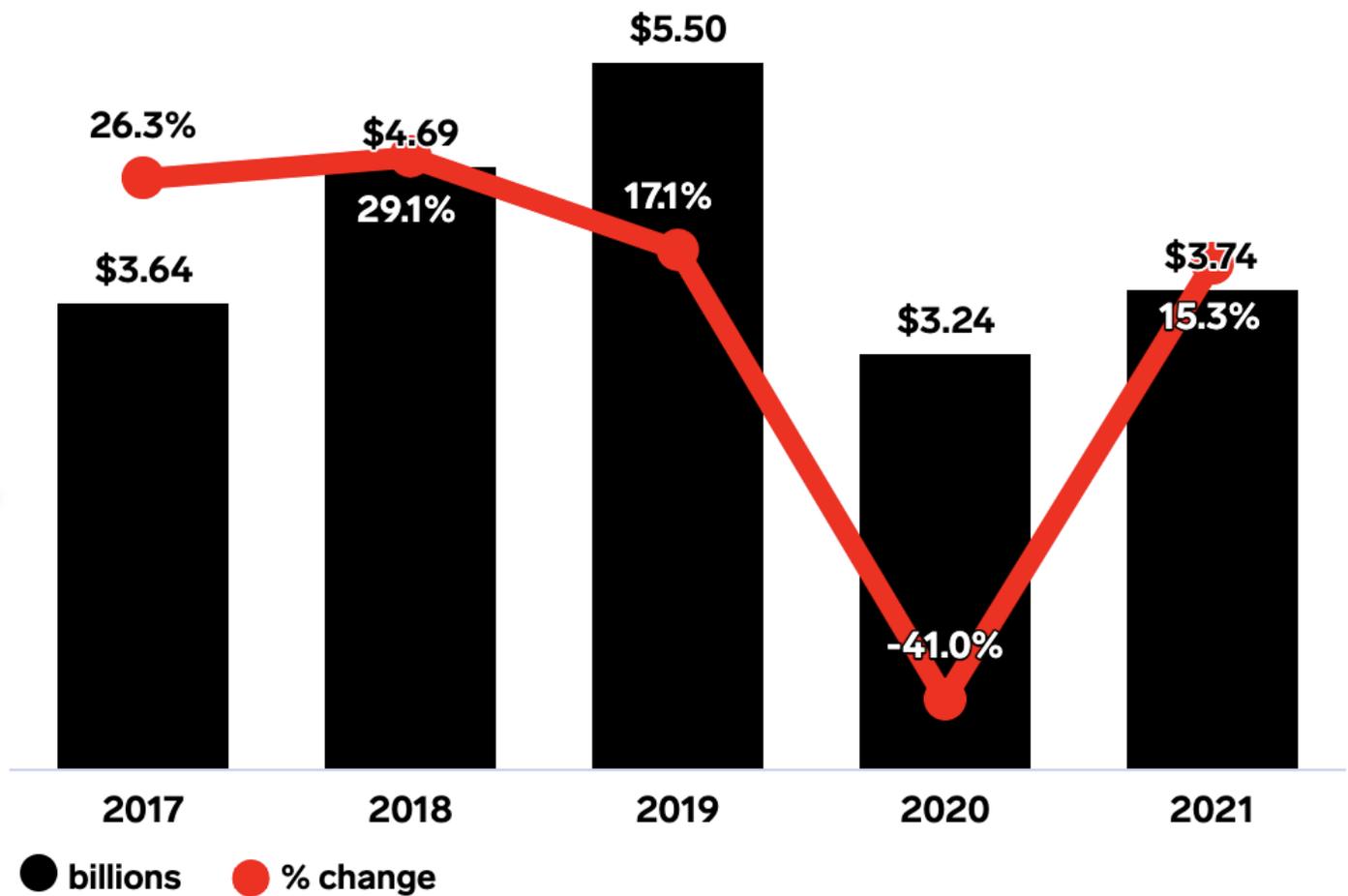
More on this: Heightened demand means higher prices—domestic fares are up 9% since April 1, per Bernstein **estimates** cited by CNBC. And demand for travel is increasing as more US adults get vaccinated. With 70% of the US population estimated to be vaccinated by August 10, **according** to The New York Times, travel demand could creep up even more and send prices even higher. But there are still a few ways marketers can capture renewed demand for travel among price-conscious consumers:

- **Discounted offerings have extra appeal.** Marketers may want to play up their deals even more than usual if prices continue to rise. That could be the deciding factor for some travelers. For example, more than half (56%) of US adults said they were likely to book a vacation if they got a discount at a hotel, per an April **survey** by Adweek and Morning Consult.
- **Focus on local.** Car travel **fared** better than air travel during the peak of the pandemic, as price- and safety-conscious consumers sought to avoid crowds. And while safety concerns may be waning, price concerns aren't. Travel marketers looking to target budget travelers may find success focusing on close-to-home getaways.
- **Retail marketers could see some windfall as consumers look for smaller splurges.** Travel-related categories like swimwear and luggage are seeing spikes in sales, according to **research** from NPD: Swimwear sales in March 2021 were up 185% year over year (YoY), and even up 32% compared with pre-pandemic March 2019. Consumers may not balk as much at a \$50 swimsuit purchase compared with a \$500 plane ticket—so retailers in related industries can cash in on travel excitement without having to worry about the sticker shock.

The bigger picture: Despite near-normal levels of demand this summer, the travel industry is still in recovery mode, and we still don't **expect** travel ad spending to come anywhere close to where it was in 2019. This year, digital travel ad spend will rise 15.3% to \$3.74 billion, but that won't be enough to make up for last year's 41.0% drop. Though we don't have a forecast for 2022 yet, this summer's potential rebound is an optimistic sign.

Travel Industry Digital Ad Spending

US, 2017-2021



Source: eMarketer, July 2020 (see below for notes and methodologies).

eMarketer | InsiderIntelligence.com