

How COVID-19 Will Affect the US Travel Industry in H2 and Beyond

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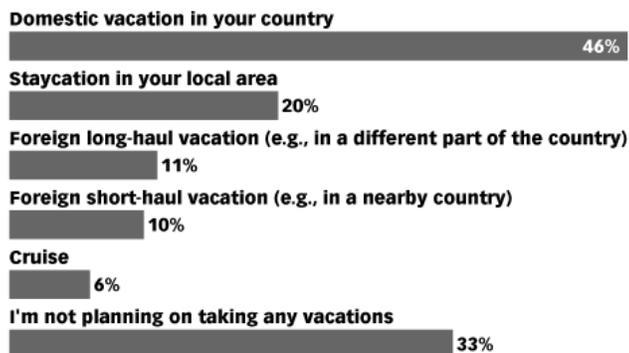
Few industries have been hit as hard by the coronavirus as travel. Recovery will be slow, with many sectors not returning to pre-pandemic levels until at least 2022. Some pandemic-related trends, like increased local “staycations,” may persist.

Given the rapidly changing nature of the situation, it’s hard to predict what’s in store for the travel industry in H2 and beyond. Current research shows that consumer sentiment toward traveling will continue to improve throughout the year, but that’s subject to change depending on a variety of factors, including a potential second wave of the virus in the fall that could make people more cautious to travel again.

What is clear, however, is that consumers are more likely to plan domestic trips than international ones for at least the rest of 2020. When GlobalWebIndex asked US internet users in mid-May about what types of vacations they planned to take in the next 12 months, 46% said a domestic vacation, and 20% said a “staycation” in their local area. Roughly one in 10 respondents cited either short-haul or long-haul international vacations, compared with just 6% for cruises.

Coronavirus Impact: Types of Vacations US Internet Users Expect to Take, May 2020

% of respondents



Note: ages 16-64; in the next 12 months
 Source: GlobalWebIndex, "Coronavirus Research: Multi-Market Research Wave 4," June 2, 2020

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Another May 2020 survey by LuggageHero painted a brighter picture for international travel in 2021, but that may be partly because it was conducted by a luggage storage company. Nearly half (45%) of US respondents ages 16 and older said that they would book and travel internationally next year, compared with 19% for June to August and 33% for September to December.

Coronavirus Impact: Future International Travel Plans of Adults Worldwide, May 2020

% of respondents

	EU	UK	US
Would book and travel during the next 15 days	9%	9%	6%
Would book and travel during June-August	38%	37%	19%
Would book and travel during September-December	39%	43%	33%
Would book and travel during 2021	38%	34%	45%
Not planning to travel abroad again for leisure until a vaccine is found	6%	10%	20%
No, not planning to travel abroad again for leisure until the economy is back to normal	4%	4%	9%

Note: ages 16+
 Source: LuggageHero, "COVID-19 Travel Sentiment Monitor – May Report," May 17, 2020

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Still, that timeframe makes sense as 2021 is the year that a vaccine is expected to arrive. In a May 2020 Resonate survey, the availability of a vaccine was a bigger factor for international than domestic travel. When asked what would be required for them to feel comfortable traveling abroad again, 45.0% of US adults cited a widely available

vaccine, ahead of all other options on the list. Some 37.0% said the same for traveling out of state, compared with 27.2% for travel within their state. That’s understandable given the heightened risk of falling ill while aboard an airplane and potential difficulties finding healthcare abroad.

At the time of this writing, there is no defined projection for when the pandemic will likely end. Historically, experts consider two distinct endings to a pandemic: a medical one, which occurs when the infection and death rates drop to a certain level, and a social one, which is when widespread fear of the disease subsides.

For the travel industry, the end will likely be when people feel it’s safe to travel again. For many consumers, that will be when a vaccine is available, but for others, particularly experienced travelers, it’s possible that date may come sooner. It’s also dependent on the destination, mode of transport and type of accommodations. Car travel is likely to recover before both short- and long-haul air travel, and the hotel sector is likely to fare better than alternative accommodations like home rental services.

For more information about the travel industry’s changing outlook amid COVID-19, eMarketer PRO subscribers can read our recent report:

Report by Jasmine Enberg Jun 25, 2020

Travel in Times of COVID-19



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