

Ahead of July Fourth, travel industry hopes for big summer rebound

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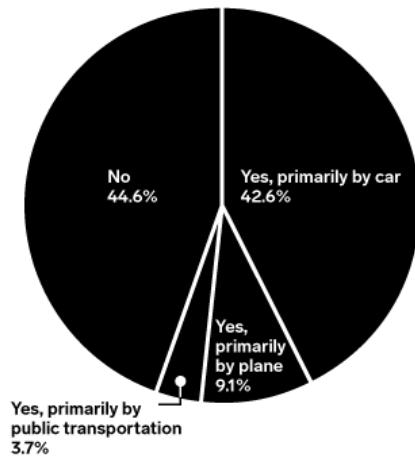
The news: The travel industry is looking for a summer rebound this year, but those hopes could be *somewhat* derailed by the current debate on inflation, rising fuel prices, and aircraft disruptions.

- We expect **3.25% more** US digital travel bookers this year versus last, per our May forecast, and for digital bookings to **net \$225 billion**, up **18.3%** from 2021.

- To put that into perspective, bookings won't yet recover to 2019 levels.

US Adults Who Intend to Travel During the 4th of July Holiday, May 2022

% of respondents



Note: ages 18+
Source: The Vacationer, "2022 Fourth of July Travel Survey" conducted by SurveyMonkey, June 14, 2022

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Factors pointing to a rebound:

- Is inflation a concern? Absolutely. But there's so much pent-up demand on account of the pandemic. Consumers have money earmarked for travel that's been set aside for, in some cases, **over two years**.
- **59% of consumers say cost is a main concern in making summer travel plans this year**, [per](#) Shopkick—but **73% say COVID *isn't* affecting their travel decisions**.
- The share of US adults planning to travel within the next three months jumped by 5 percentage points in May from just four months prior, [per](#) Morning Consult.
- One recent poll of Singaporeans may illustrate how many global consumers feel: Although **77% [said](#)** they were "extremely" or "very" concerned about price increases, **84% were planning to travel this year**, a jump of 39% versus last summer.
- The Biden administration's recent removal of COVID-19 flight testing prior to re-entry should increase US consumers' appetite for international travel.

The counterpoint:

- Conversation about travel on **Twitter** plummeted 75% from April to May, per Sprout Social.
- Tweets about gas costs and travel, half of which were unfavorable, **increased 680%** from the winter to the spring.
- Though not a primary consideration, air travel is not environmentally friendly, and consumers increasingly care about sustainability. Environmental groups recently sued Dutch airline **KLM**, alleging that its marketing deceives the public about the sustainability of flying—suggesting that “greenwashing” will backfire against airlines.

Change > cancel: Instead of calling off their vacations, more consumers will likely change their plans to account for price increases and added fees.

- Demand for car rentals is plummeting, per Zeta Global, with regions with the highest gas prices, including California and the Northwest, experiencing the largest decreases.

Business rebound?

- Business travel interest in the United States jumped by **365%** in May after two months in a row of declining demand, per Zeta Global.
- The share of **frequent business travelers who anticipate traveling in the next four to six months rose 10 points** in May over April, per Morning Consult.
- Given how lucrative business travel is for airlines, its rebound will be critical for the health of the industry writ large.

The big takeaway:

- Will travel rebound this year? **Yes.**
- Is it going to be affected significantly by inflation? **Absolutely.**
- Will inflationary pressures cause people to stay at home? **No.** But they will influence how far some travel, the types of activities people engage in, and how much they spend.

Go further: [Read our new Analyst Take on digital travel's bounceback.](#)