

Inflation inflates 'inflation' mentions, says Yelp

Article

Mentions of inflationary language on Yelp increased 4% in Q3 as compared to the previous quarter and 22% year over year (YoY), according to a publication from the [business review platform](#).

- Food businesses and restaurants saw inflation mentions increase by 31% and 28% YoY.
- Inflation was also mentioned more in reviews for beauty services and spas, arts and entertainment businesses, nightlife and bars, and hotels and travel.
- In the Midwest, inflation was mentioned 26% more in Q3 2022 than in Q3 2021.

- In Q3 2022, consumers searched for affordable groceries 126% more YoY.

What this means: As inflation set in this summer, analysts noted a pivot away from retail and toward “**experience-related**” spending, according to our analyst Zak Stambor. But “inflation fatigue” has set in, according to Yelp’s report, and the ways people are willing to spend on experiences has shifted.

- The Yelp report confirms travel demand, specifically “**revenge travel**,” has increased, even as inflationary language in that category also went up by 10% YoY.
- **American Airlines** had record Q3 revenues at \$13.5 billion, and **United Airlines’** Q3 revenues were \$12.9 billion, both up around 13% over Q3 2019.
- Travel sales may be increasing, but the hit spend is taking on consumers’ wallets is not going unnoticed.

Inflation woes: Consumers are spending more to get less.

- In June, 59% of US adults said they were **spending less on experiences** like travel and dining out, according to Ipsos.
- People are **buying less** fresh meat, fish, and poultry. Consumers are also cutting back on small indulgences like desserts, soft drinks, and snacks.

What’s a brand to do? Consumers are moving from two dollar sign Yelp searches to one dollar sign alternatives, but they’re still spending money.

- Customer demographics are shifting as people seek cheaper alternatives. That’s an opportunity for affordable brands to court new buyers.
- People are still paying for experiences like restaurants and travel, even if they may be trading down. Loyalty programs like the one **Delta Air Lines set up with Starbucks** can help corner that spend.
- Inflation mentions are up across categories. Companies need to stand out, either with prices or with perks.

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