

Quantcast

July 2020

US Travel Insights

COVID-19's Impact on
the Travel Industry

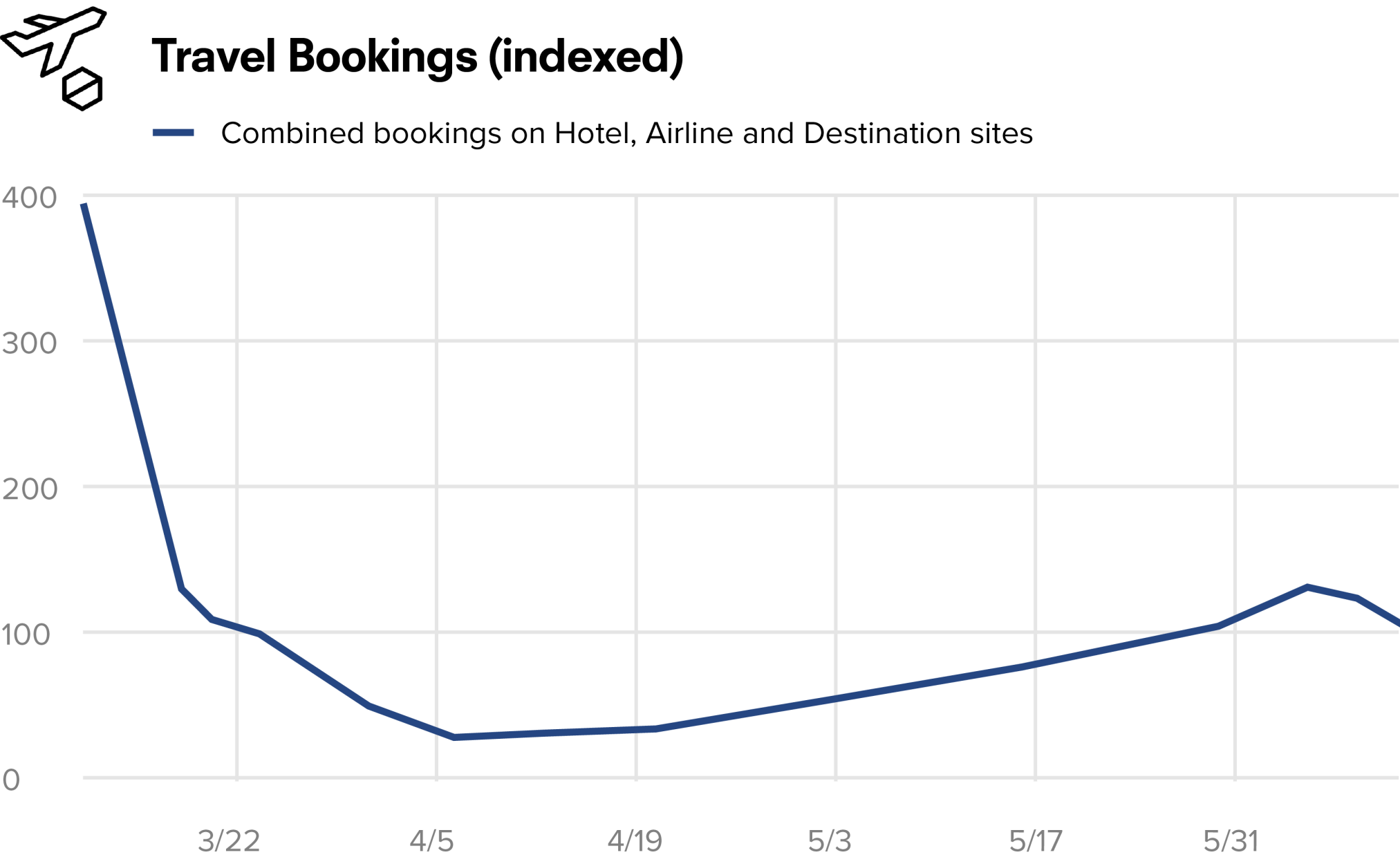
Examining how COVID-19 is changing the travel industry

There's no question that travel has been one of the hardest hit verticals during the COVID-19 pandemic. While the timing of a recovery remains unknown, we are beginning to see some hopeful indicators for the travel industry. Although traditional vacation plans may seem too risky for some, many consumers are getting creative and finding new ways to travel that don't require them to abandon the new social distancing guidelines. Moreover, businesses have already started to modify their policies to provide safer services and accommodations.

It's now more important than ever for travel companies to understand and quickly adapt to evolving shifts in online consumer behavior. By examining Quantcast's first-party data set, we took a closer look at how travel audiences are changing in the time of COVID-19.



Travel bookings have begun the upward journey towards recovery

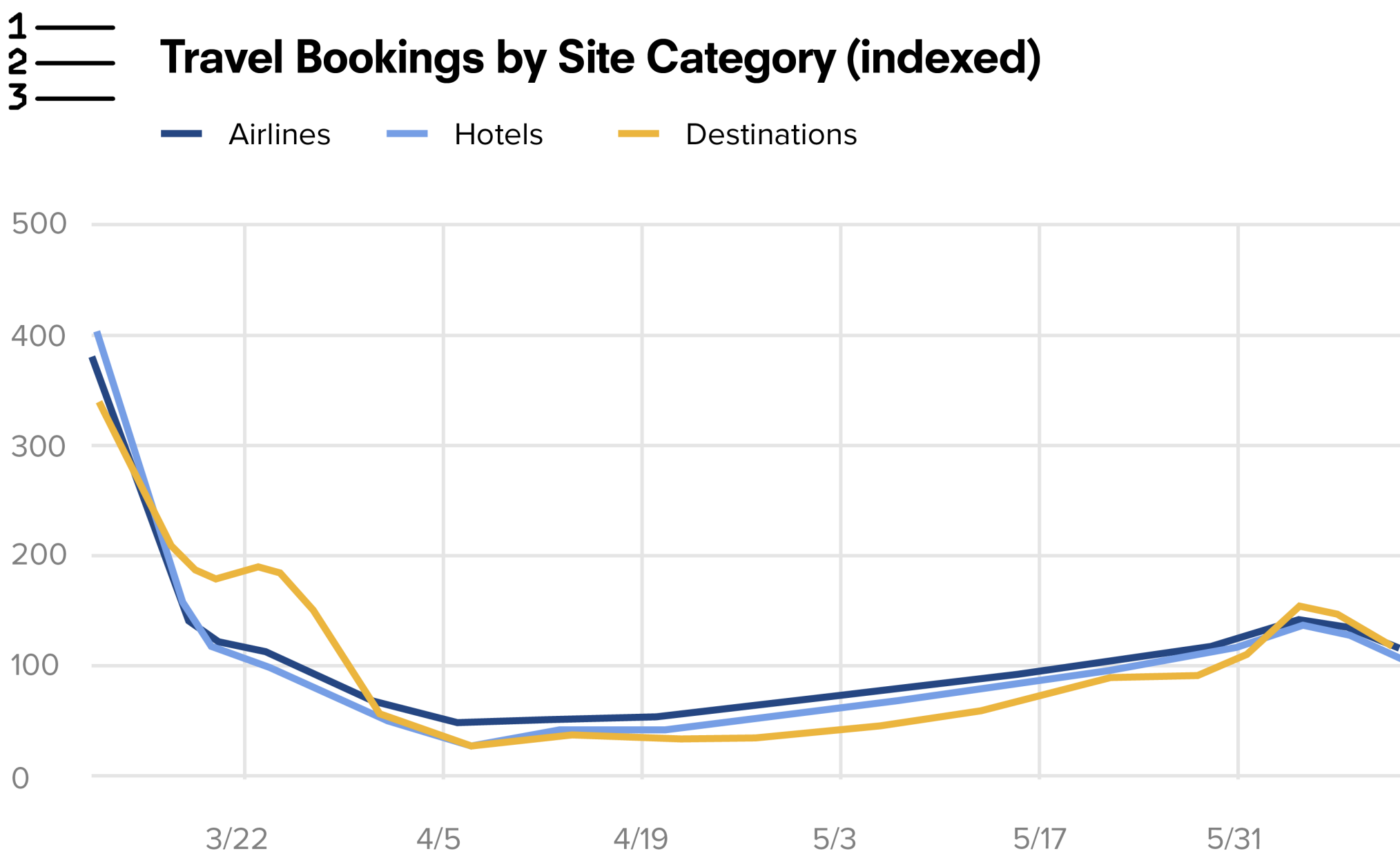


Travel bookings reached their lowest point during the week of April 5th but have been slowly rebounding ever since. Here, we show the overall trend combining bookings for airline, hotel, and destination (amusement parks, museums, and historical landmarks) websites.

Source: Quantcast Pixel Data, 3/9/20 to 6/21/20

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Airline and hotel sites saw immediate, sharp declines starting in mid-March while bookings on destination sites held on slightly before also bottoming out in early April. All three site categories have shown continued growth since that week of April 5th, with destination bookings again outpacing airline and hotel bookings.



The localization of summer travel

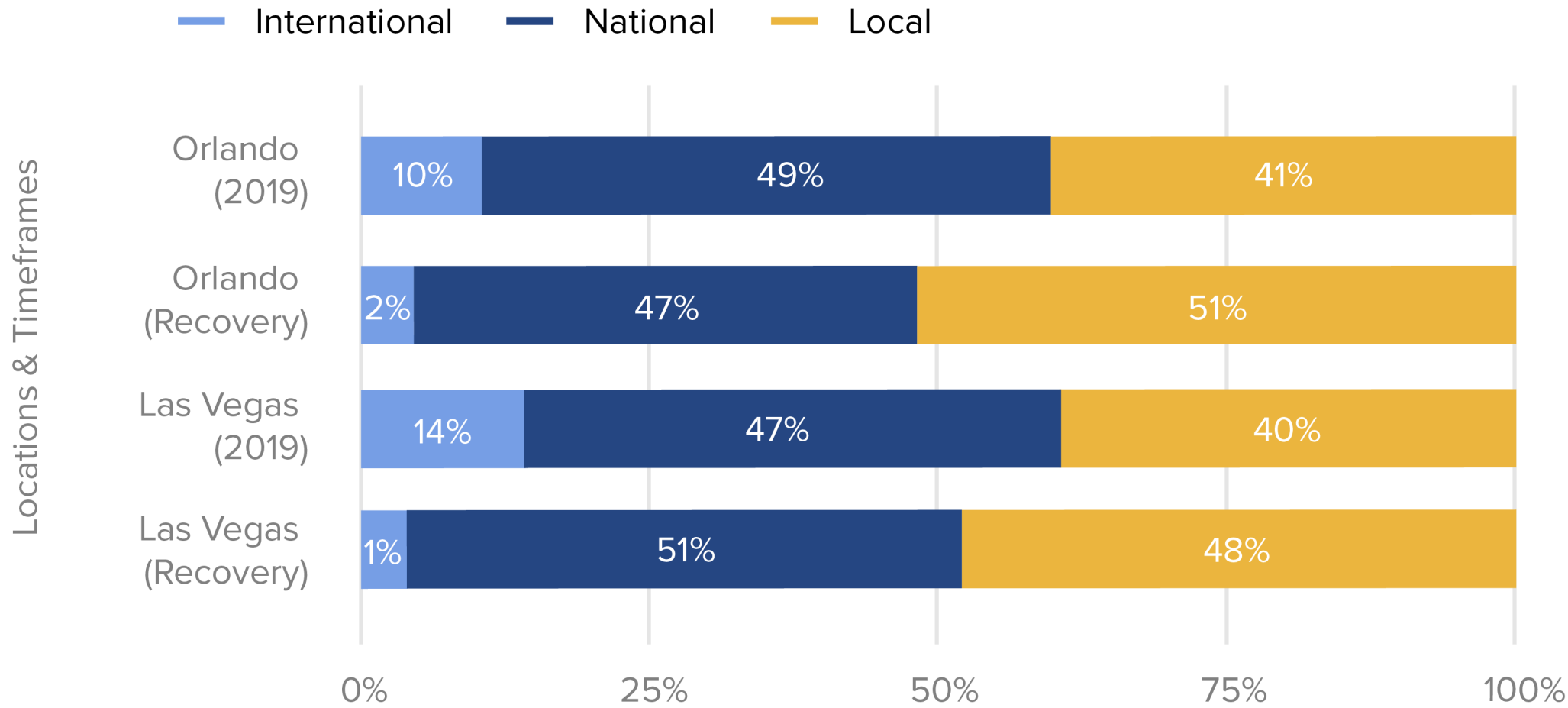
Tourism hasn't stopped completely — it's merely become localized

With international travel largely off the table, destinations like Las Vegas and Orlando find themselves re-evaluating their audiences for summer and fall 2020. Quantcast took a look at how the breakout of international, national, and local travelers has shifted when we compare a “recovery period” of mid-May to mid-June this year versus 2019 as a baseline.

Our data shows that 14% of all Las Vegas hotel bookers last year came from outside the US. But during the recovery period we examined, that percentage has fallen to a mere 1% of all bookers. Orlando has similarly found international bookers hard to come by post-pandemic. The question then is, are these gaps of international travelers being filled by road-tripping locals or nationwide air travelers? For both destinations, local travelers have seen the largest increase. Orlando’s local booking share has jumped +10% while Las Vegas’s has jumped +8%.



Regional Distribution of Travel Bookers



* Local for Las Vegas bookings includes consumers booking from Nevada and California. Local for Orlando bookings includes consumers booking from Florida.

Source: Quantcast Pixel Data, “2019” period of 1/1/19 to 12/31/19 measured against a “recovery” period of 5/25/20 to 6/25/20

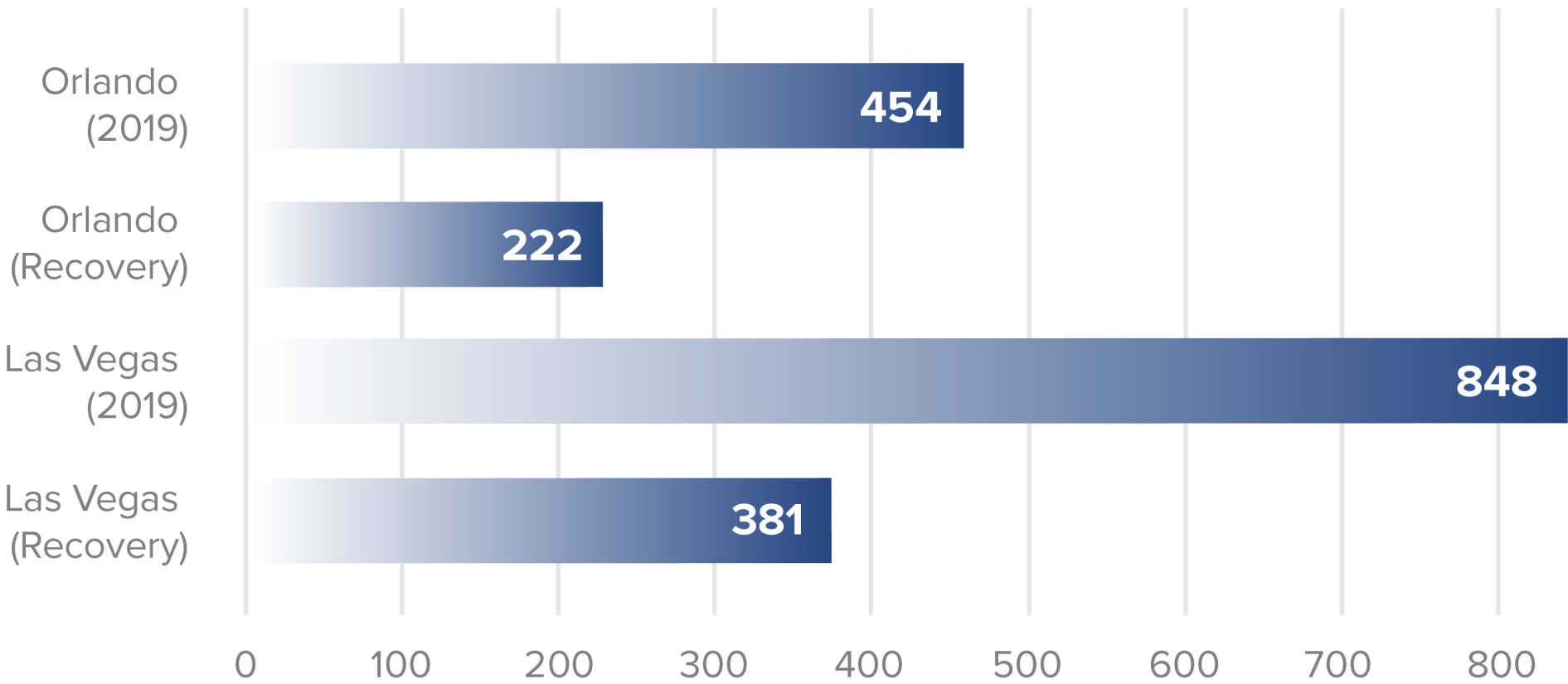
The distance between the booking location and the booked destination is shrinking

Upon analyzing hundreds of thousands of hotel, airfare, and destination bookings, Quantcast was able to decipher the median distance between where the booker physically is at time of booking in relation to the actual destination site. The median distance between a booker’s location and the center of the city they’re traveling to shrunk -51% for Orlando and -55% for Las Vegas. With reduced distances that people are planning to travel, transit by car has become a much more common option. In fact, AAA estimates a whopping 96.5% of all summer 2020 travel will be made by car.¹



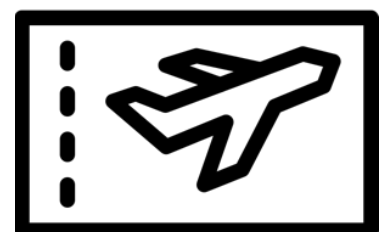
Distance Between Booker Location & City Destination

Median Distance (miles)



¹ [USA Today](#) Coronavirus pandemic will dent summer travel, June 25, 2020

Source: Quantcast Pixel Data, “2019” period of 1/1/19 to 12/31/19 measured against a “recovery” period of 5/25/20 to 6/25/20



Changes in travel audience demographics and intent levels

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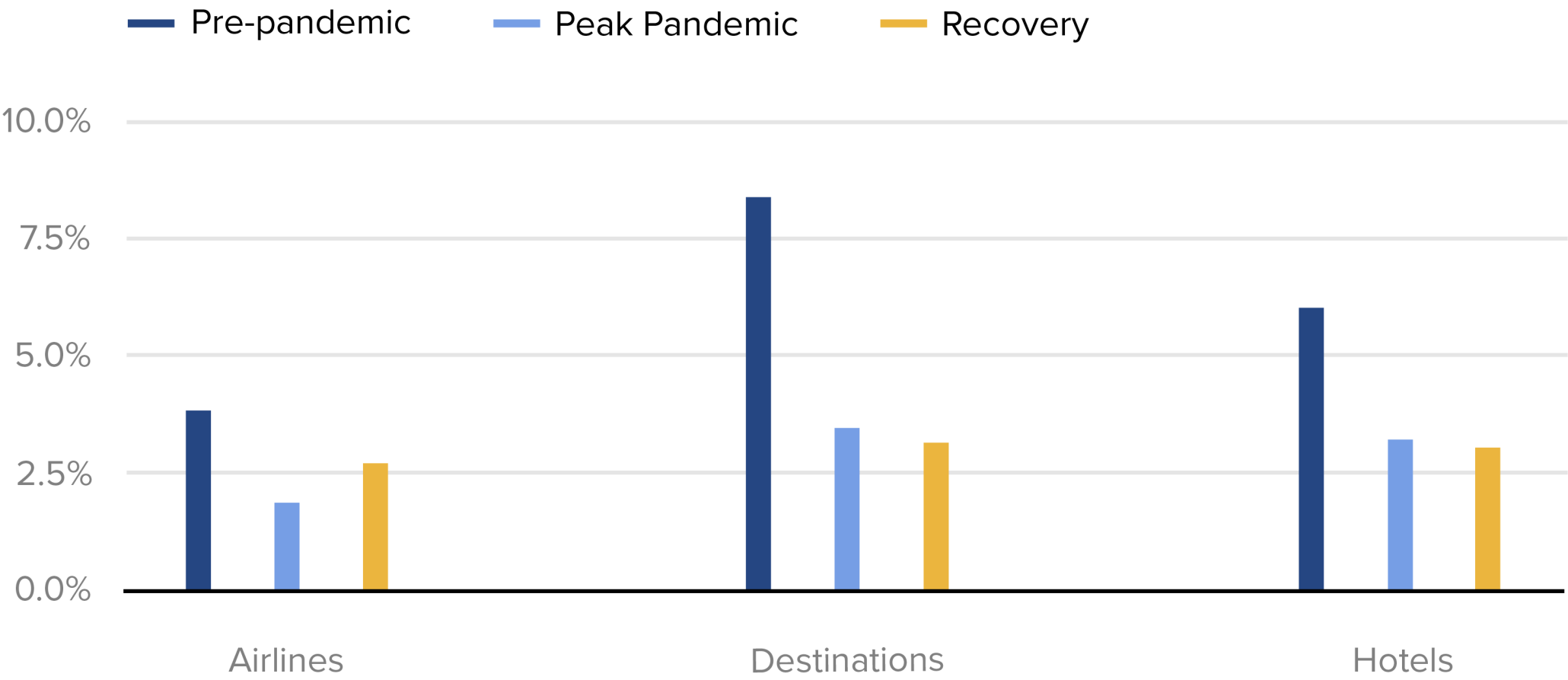
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New trends emerge around purchase intent within the travel audience

These figures represent the probability that a person browsing a travel website will convert within the same day. We compared the conversion to browsing ratio for three time periods this year: the “pre-pandemic” period from January to mid-March, the “peak pandemic” period from mid-March to late May, and the “recovery” period from late May to late June. These success rates for hotel and destination sites have remained low even during the modest recovery period from late May through late June. However, the conversion rate for airline sites has increased since the peak of the pandemic, implying a faster rebound for this category.



Traveler Browsing Conversion Rates, by Site Category

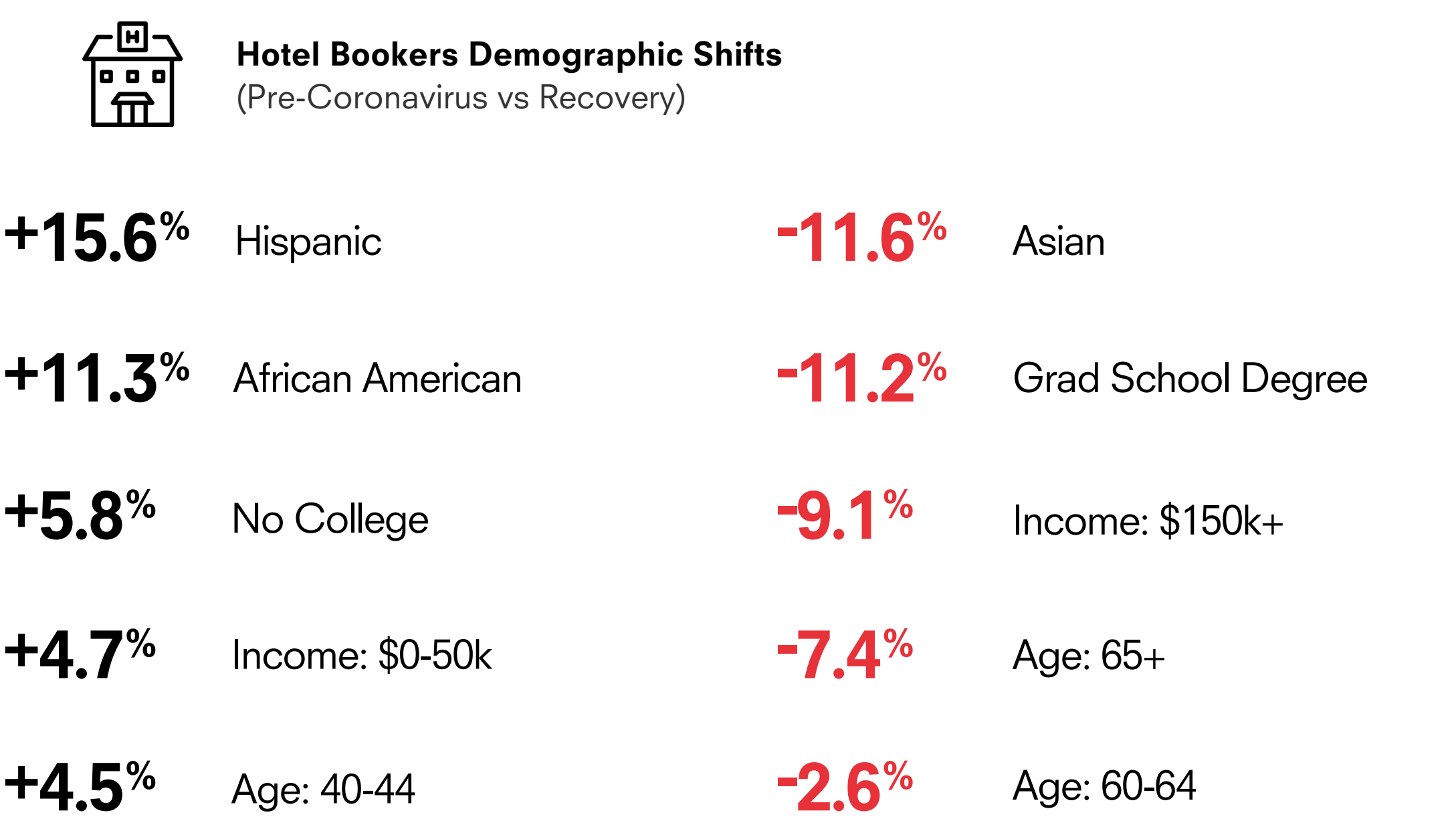
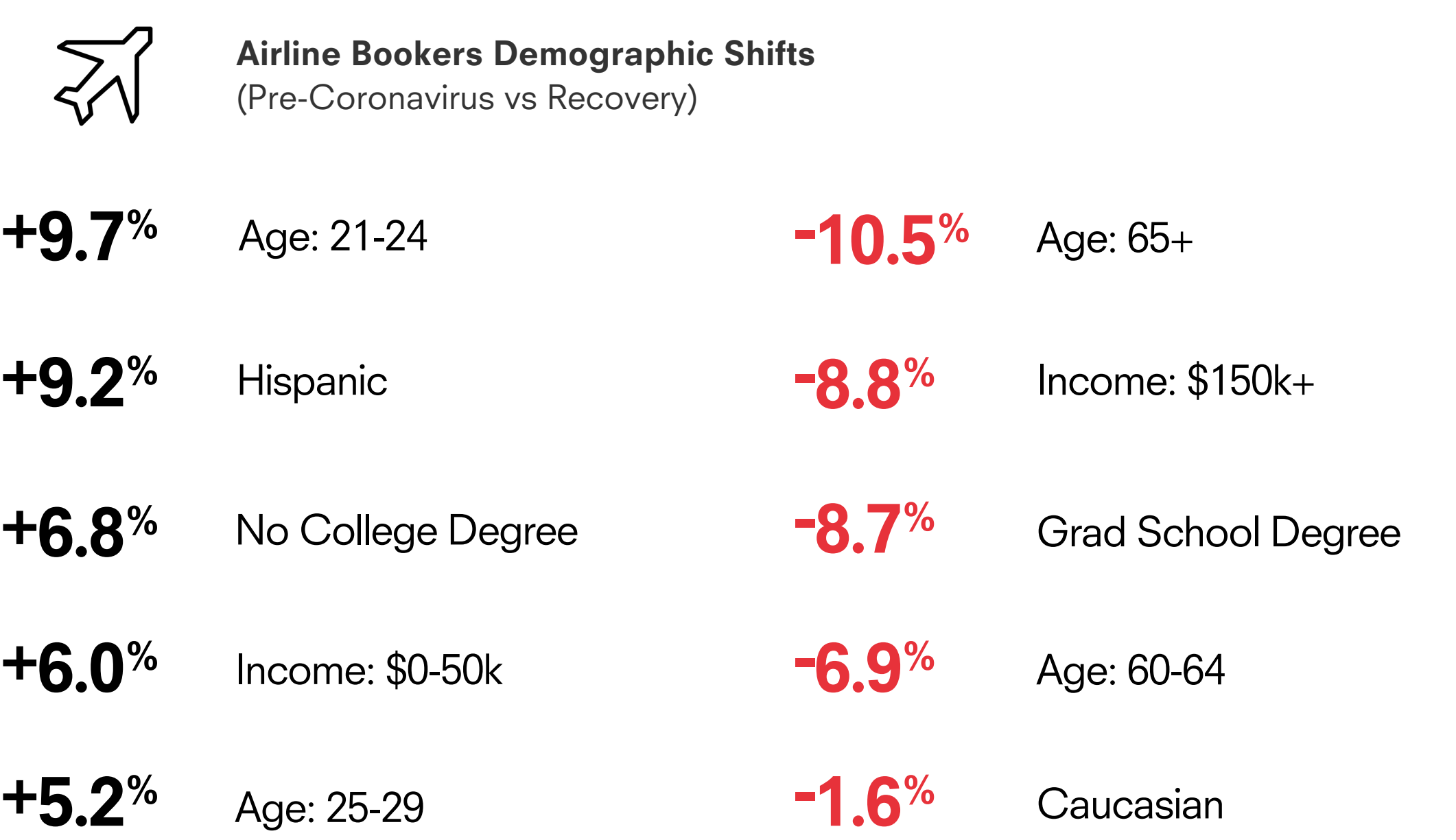


Source: Quantcast Pixel Data, “pre” period of 1/1/20 to 3/15/20, “peak” period of 3/16/20 to 5/25/20 and a “recovery” period of 5/26/20 to 6/25/20

Traveler audience demographic shifts

We also examined how the demographic composition of travel audiences is shifting for both airline bookers and hotel bookers. One interesting trend we notice is around shifts in age for each group. Airline bookings are seeing increases among younger audiences ages 21-29, while hotel bookings are seeing increases for a slightly older age group 40-44. Given the close proximity to others that air travel requires, it appears that

younger audiences are more willing to book airfare and take advantage of the current price discounts, while middle-aged audiences have more preference for hotel stays. However, fewer bookings overall are occurring for the 65 and older age group, which is unsurprising given that this group is considered more at risk.

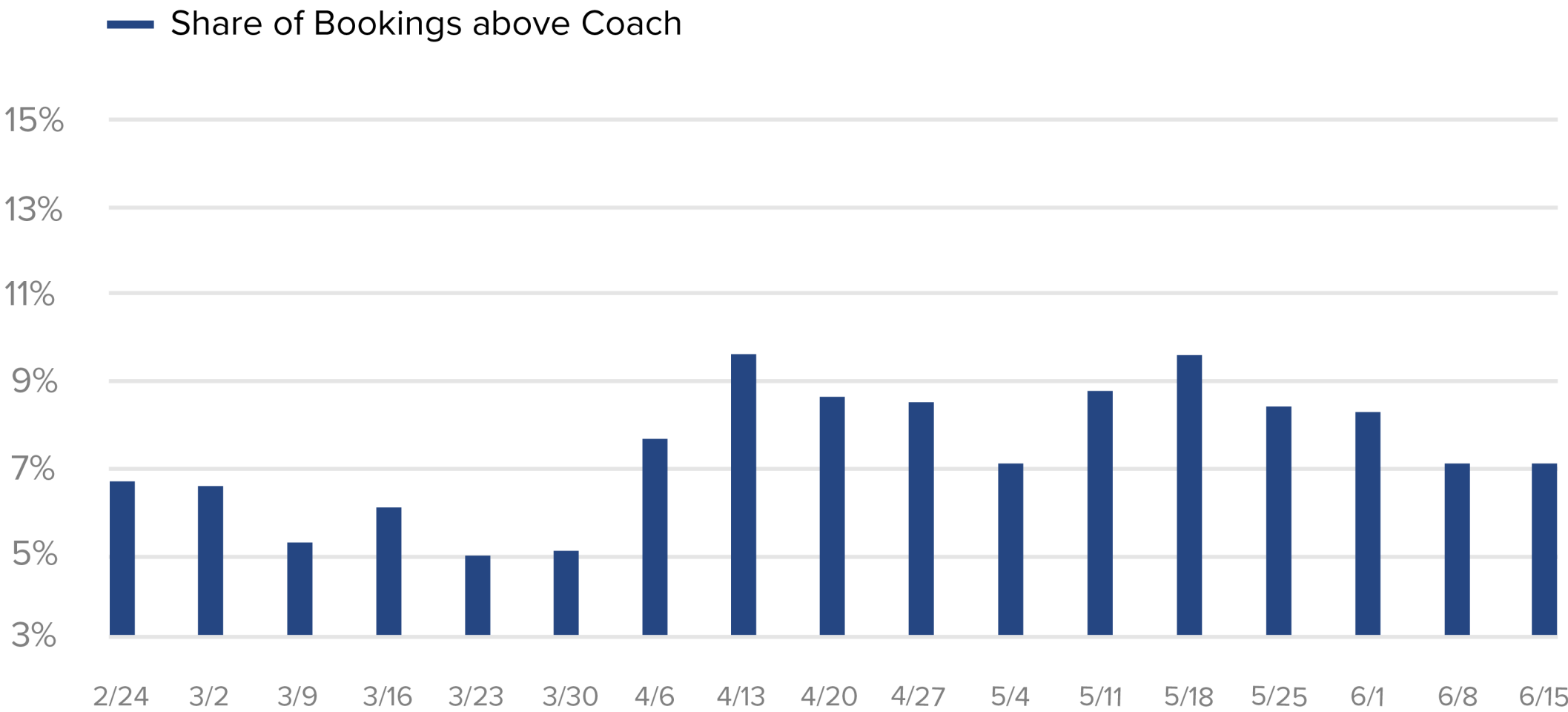


An initial decline for first and business class air travel, but a more recent drop for coach

Across data from several major airline carriers, Quantcast has observed a marked trend towards non-coach (business and first class) bookings as the pandemic progressed. As hesitant consumers book their first post-out-break airfares, the appeal of more physical space from other passengers has never been more enticing. Major carriers like Delta and Alaska Airlines have made seating changes to “limit loads to 50% in first class and 60% in economy cabins.”²



Share of Airline Bookings (Non-Coach)



² [Business Insider](#) 11 major US airlines have new pandemic rules, June 15, 2020

Source: Quantcast Pixel Data, 1/1/20 to 6/21/20

Translating insights into actionable strategies

1

Target audiences with real-time behavioral signals

As the travel audience continues to shift, Quantcast can help by using real-time behavioral signals to deliver ads to the most relevant audience, maximizing performance.

2

Tailor messaging to emerging personas

Consider adapting ad creative to resonate with new personas, such as younger audiences who are booking airfare or audiences looking for a quick getaway within driving distance.

3

Leverage the power of programmatic

During this unusual time, programmatic advertising allows you the flexibility of an always-on strategy where budget can easily be adjusted to match fluctuations in consumer demand.



Travel brands we work with:



Why Quantcast?

Understanding and measuring consumer behavior is at the core of what Quantcast offers. We have the ability to identify unique audiences outside of the 'walled gardens', ensuring our clients reach the people that matter the most to their business and bottom lines. During this uncertain time, it is more important than ever for brands to leverage the power and flexibility of programmatic advertising. It is accountable, easy to

optimize, easy to test, measurable, and cost-effective. Quantcast accurately understands the value of each individual bid, maximizing value and driving performance.

**As a trusted partner, Quantcast is here to support you.
Contact your sales representative to learn more.**