

Summer Travel 2021: Put Down the Crochet Needles, We're Going Out

MAY 2021

IN MARKET INSIGHTS





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What Will Summer 2021 Travel Look Like?

"A July 4th with your loved ones is the goal."

After summer 2020 was spent in the throes of the pandemic, [President Joe Biden](#) set a goal of a safe July 4th spent with friends and family, made possible by the multiple COVID-19 vaccines that have been rolled out across the country. As inoculation counts rise—[over half of US adults](#) had received at least one dose of the vaccine by mid-April—general pandemic anxieties are easing. In early April 2021, the Center for Disease Control (C.D.C.) [updated travel guidance](#) for Americans: fully vaccinated adults were at "low risk" for both domestic and international travel. While not going so far to recommend travel at this point, this announcement marked a stark contrast from the C.D.C.'s previous advice that all travel should be avoided unless absolutely necessary due to health risks.

With vaccine rollout moving full steam ahead, including the [emergency approval](#) for vaccine use on children ages 12-15 years old, many consumers have begun thinking about potential summer plans and vacations this year. InMarket conducted a survey in Q1 2021 around post-vaccine travel and more than half of respondents (51%) said they'd travel once a vaccine was made available to them. With Biden's announcement establishing a firm date for "safer" travel, many are beginning to plan. [According to travel booking app Hopper](#), average airline ticket prices for July travel increased by 5% the week after President Biden's mid-March speech. It's also worth noting that the surge coincided with the approval of the Johnson & Johnson single-dose vaccine (February 27) and deposits of the third stimulus check beginning (March 17), which increased vaccine availability and consumer income, respectively.

With airfare ticket prices [increasing](#) due to demand and some smaller vacation destination airports busier than ever, US consumers are optimistic about summer travel this year. This is welcomed news to those in the travel industry as they look back to last

year: pandemic travel peaked in [August 2020](#), but spending was still down 39% year-over-year (YoY). Total 2020 travel spending declined 42% YoY (nearly \$500 billion), largely due to the pandemic. After a year spent mainly isolated at home, health and safety concerns are dissipating and consumers will once again be on the move, cashing in their hard-earned vacation time, and traveling down highways and through airports. Many experts still warn against international travel, especially due to varying restrictions by country, but domestic travel, especially to see loved ones for the first time in over a year, seems likely.

US travelers planned to spend a record [\\$101.7 billion](#) on summer travel in 2019. According to the [2021 VRBO Trend Report](#), this year, 33% of consumers are willing to spend more than they traditionally would this year. This opens up a multi-billion dollar opportunity for retailers, and travel marketers in particular, to engage with consumers as they plan and take vacations in order to earn a portion of consumer vacation spending ranging from tickets, to hotels, to clothing, entertainment, and food.

US Consumers Missed Out On Summer Vacations in 2020

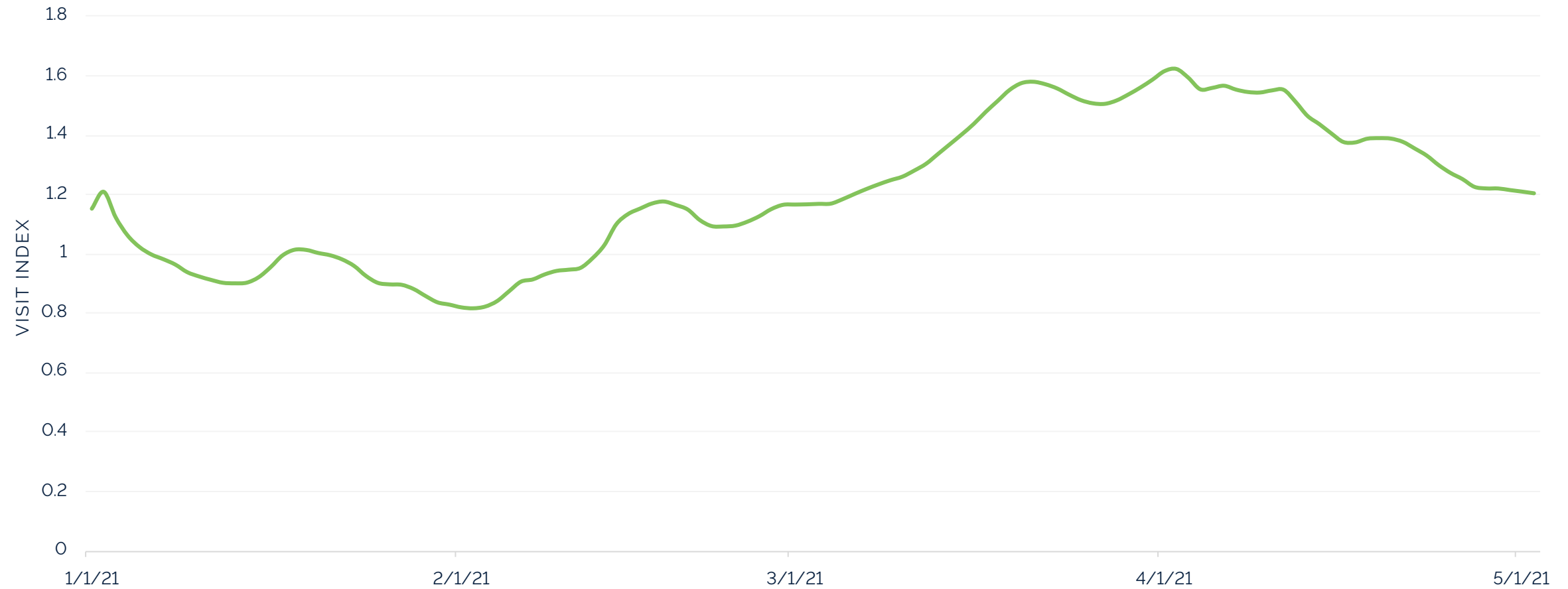
- 72%** of Americans did not take a summer vacation in 2020.¹
- 44%** of employed Americans did not use any paid time off during summer 2020.¹
- 1/3** of consumers postponed milestone celebration trips.¹
- 44%** of consumers surveyed who cancelled 2020 vacation plans are rescheduling.²
- 82%** of families had 2021 travel plans in mind.²

¹Source: [ValuePenguin](#)

²Source: [2021 VRBO Trend Report](#)



Hotel Category Visits January - May 2021

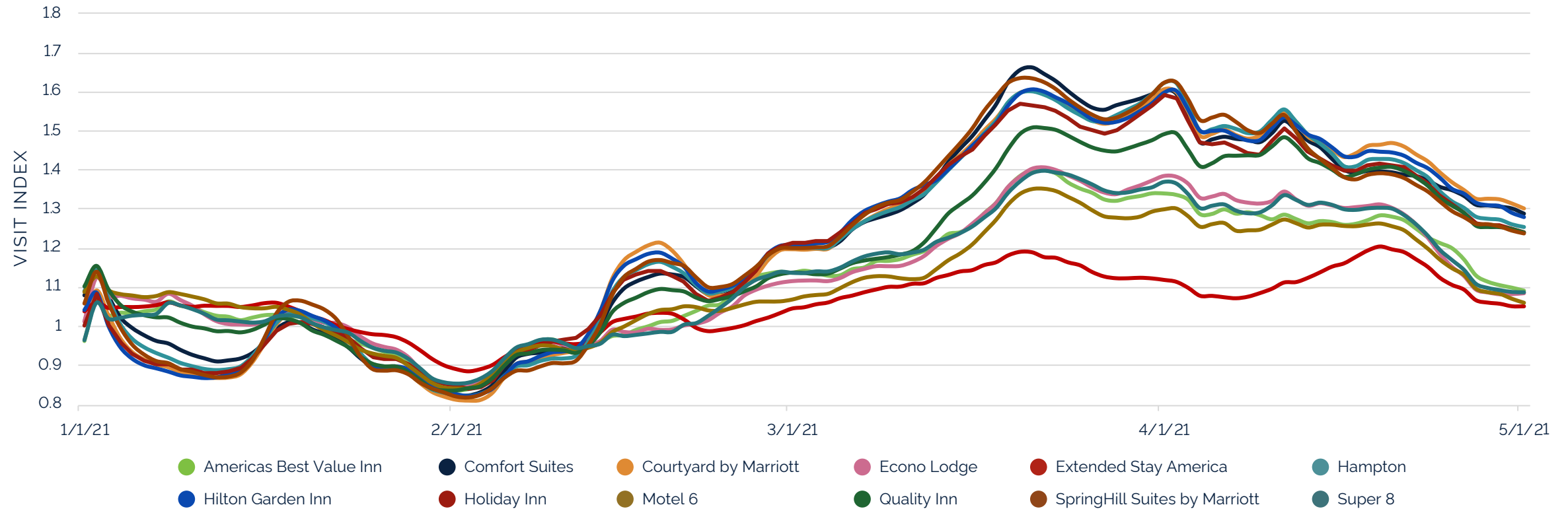


Baseline: Daily visits (7-day moving average) indexed to 1/1/21-2/28/21 average

The hotel category visits trended upwards and peaked at over 50% of its baseline during the spring break period. Following spring break, the category experienced a slight drop but still ended up 20% higher than the baseline. Overall, hotels are seeing a significant increase in demand: according to CNBC, US hotel demand was up **13.7%** the week of April 11, the second-highest level this year (it had peaked during March for spring break travel). Similar to the spring break period, this increase in both visits and demand strongly suggests that consumers are likely to book stays at hotels during the summer travel season.

Hotel Chain Visits January - May 2021

Graph below shows 12 of 23 hotel chains analyzed



Baseline: Daily visits (7-day moving average) indexed to 1/1/21-2/28/21 average
 For the full analysis, please contact your sales representative or at inmarket.com/contact.

Among budget hotel chains, Courtyard by Marriott finished in May as the most popular chain with a 29% increase in daily visits from its baseline average, while Extended Stay America came in last with just a 4% rise. According to [Marriott](#), in the US and Canada, reservations for stays 30 days out are now over 60% above pre-pandemic 2019 levels, and occupancy reached 49% in March (up from 33% in January). Comfort Suites peaked at over 66% increase in daily foot traffic visits, per our analysis mid-March from its baseline visit. Choice Hotels, owner of brands Comfort Suites, was one of the rare hotel companies to see a full-year profit in 2020, [attributing their roadside hotels](#) outside of city centers as the prime reason for profitability. It appears that Comfort Suites is benefitting from weary travelers looking to stretch their legs for a few nights during a long out of state road trip—a trend that is anticipated to stay popular during the summer months.

InMarket Survey Data: Post-Vaccine Travel Sentiments

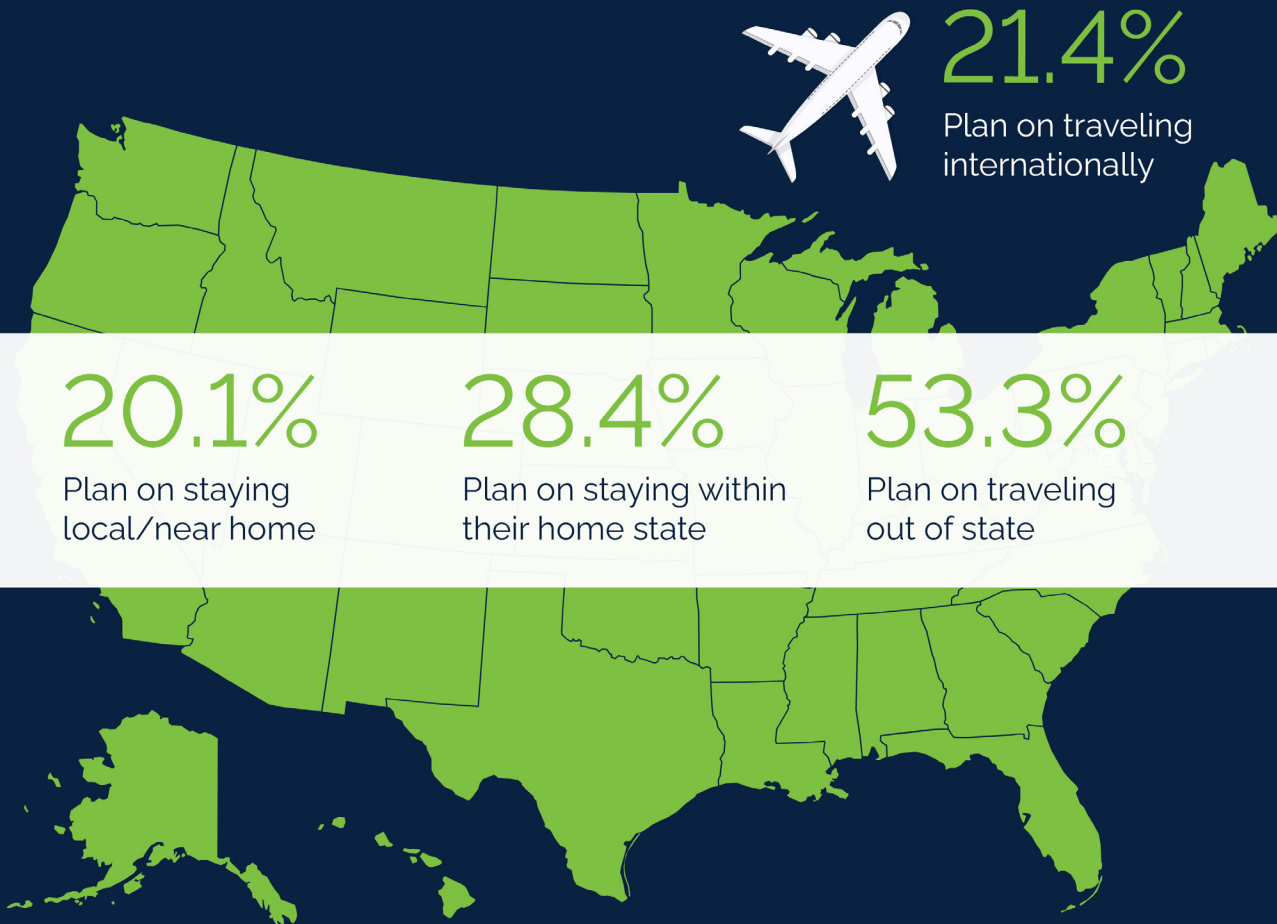
When Do You Plan on Traveling Next?



Source: InMarket's Survey data of 1200 respondents, January 2021.

Almost half (48%) of all respondents said they planned on traveling within the next 10-12 months. However, the summer months (20% of respondents indicating travel plans) are also likely to be popular among travelers during this period: American Airlines has stated that their booked ticket prices at the beginning of 2021 were about half of 2019 levels, but early summer bookings have gone up to [90%](#), and Travel Weekly reported that the US hotel industry is showing early signs of a comeback, as nationwide hotel occupancy reached its highest level in a year at [52%](#) occupancy. While travel will be kickstarted this summer, the trend is expected to continue into fall and winter as more adults are vaccinated and restrictions continue to ease. After a year marked by cancelled vacations and distant holiday celebrations, 2021 presents marketers with new and exciting opportunities to reach consumers as they're on the move again.

How Far Do You Plan on Traveling?



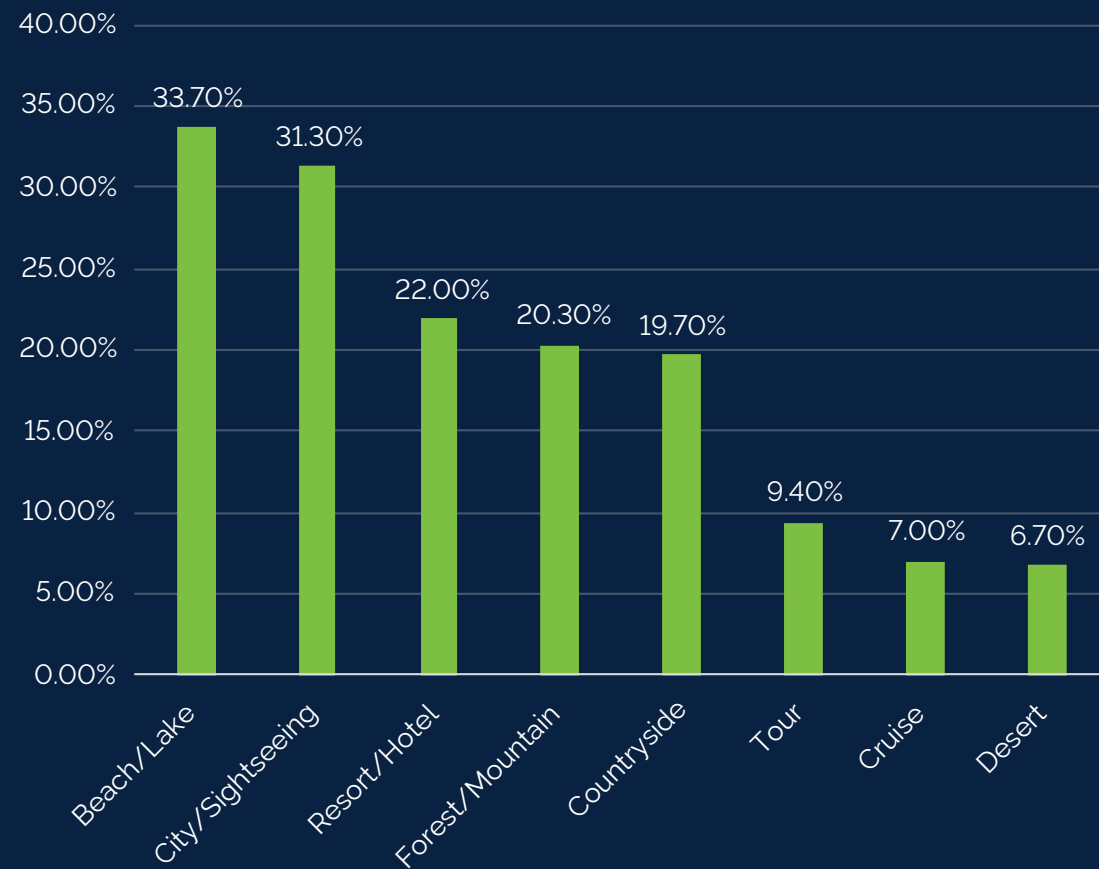
While a majority of respondents plan on traveling domestically, 53% of respondents said they planned on traveling outside of their home state. 21% of respondents said they plan on traveling internationally, likely influenced by existing travel restrictions and mandatory quarantines for international travelers. The survey data suggests that long road trips or domestic flights are likely to be the most popular.

Targeting and messaging recommendations:

- Messaging strategies should include multiple touchpoints per consumer in order to engage travelers throughout the duration of a long road trip as they are likely to make multiple stops before reaching their destination.
- Auto brands should highlight oil changes, car washes, and spare car parts ahead of consumers' long road trips.
- Just 2% of travelers say they purchase food on the plane, 55% of travelers say they eat after going through security, and only 8% bring their own food. Airport restaurants and QSRs should utilize audience segments to message to these travelers who will likely seek out food in the terminals.
- Airlines should promote domestic airfare deals, and car rental agencies should spotlight any promotions or available bundles.

Source: InMarket's Survey data of 1200 respondents, January 2021.

What Type of Vacation Were You Planning?



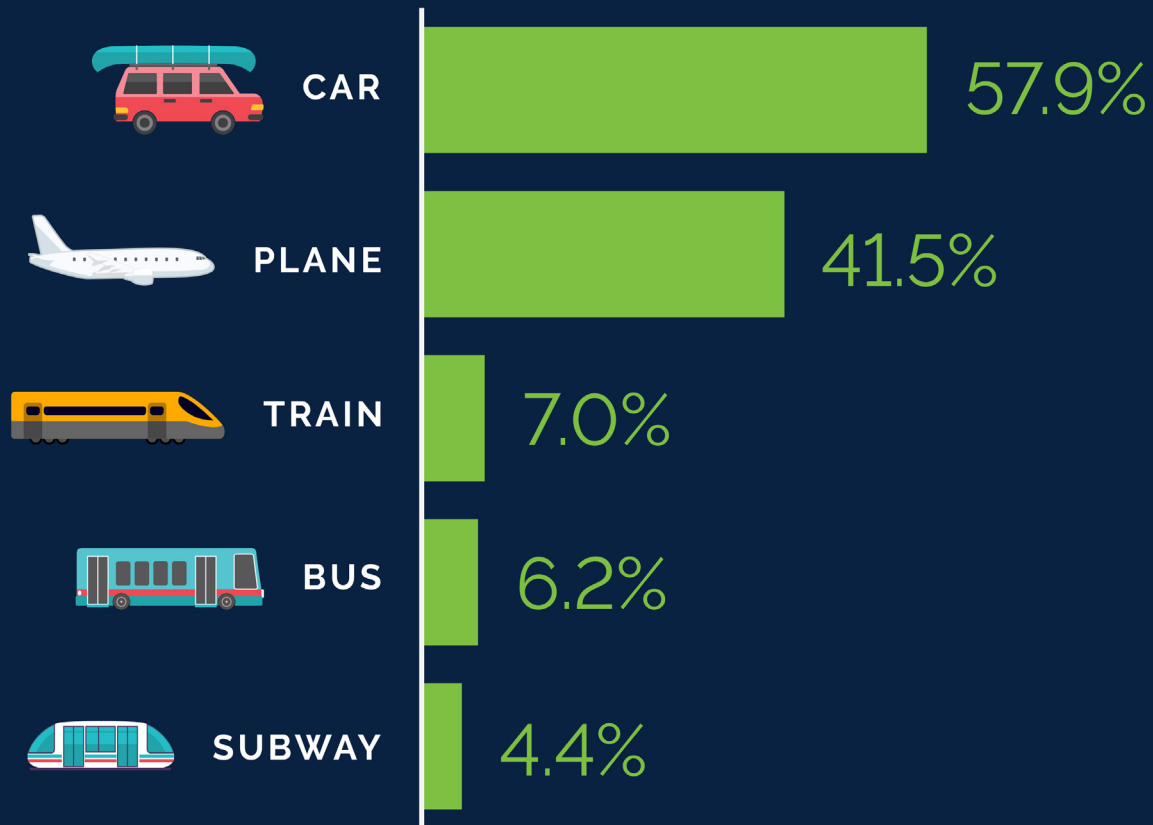
Source: InMarket's Survey data of 1200 respondents, January 2021.

The most popular types of vacations among respondents were beach/lake (34%) and city/sightseeing (31%). The least popular vacation destinations were deserts (7%) and cruises (7%). While the beach/lake is a sensible place to cool down and get a change in scenery, cities are expected to see some revitalization with more sightseers coming to visit.

Targeting and messaging recommendations:

- Apparel retailers should advertise swimsuits, activewear, summer footwear, hats, and sunglasses.
- Big box and sporting goods stores should feature deals on swimming goggles, swim caps, water floats, beach towels, beach toys and games, fishing equipment, coolers, chairs, backpacks, and camping gear in messaging.
- QSRs, CDRs, and other dining chains should amplify messaging for locations in and around popular city destinations, major landmarks, and theme parks, like New York City/Empire State Building, Los Angeles/Universal Studios, and Las Vegas/Casinos.
- Property rental companies, hotels, and rental car companies located in or around beaches, lakes, cities, and popular tourist destinations should increase messaging of summer promotions and deals.
- Drug stores/pharmacies and CPG brands should promote travel-sized items, sunscreen, bug spray, and after-sun lotion.

How Do You Plan on Traveling?



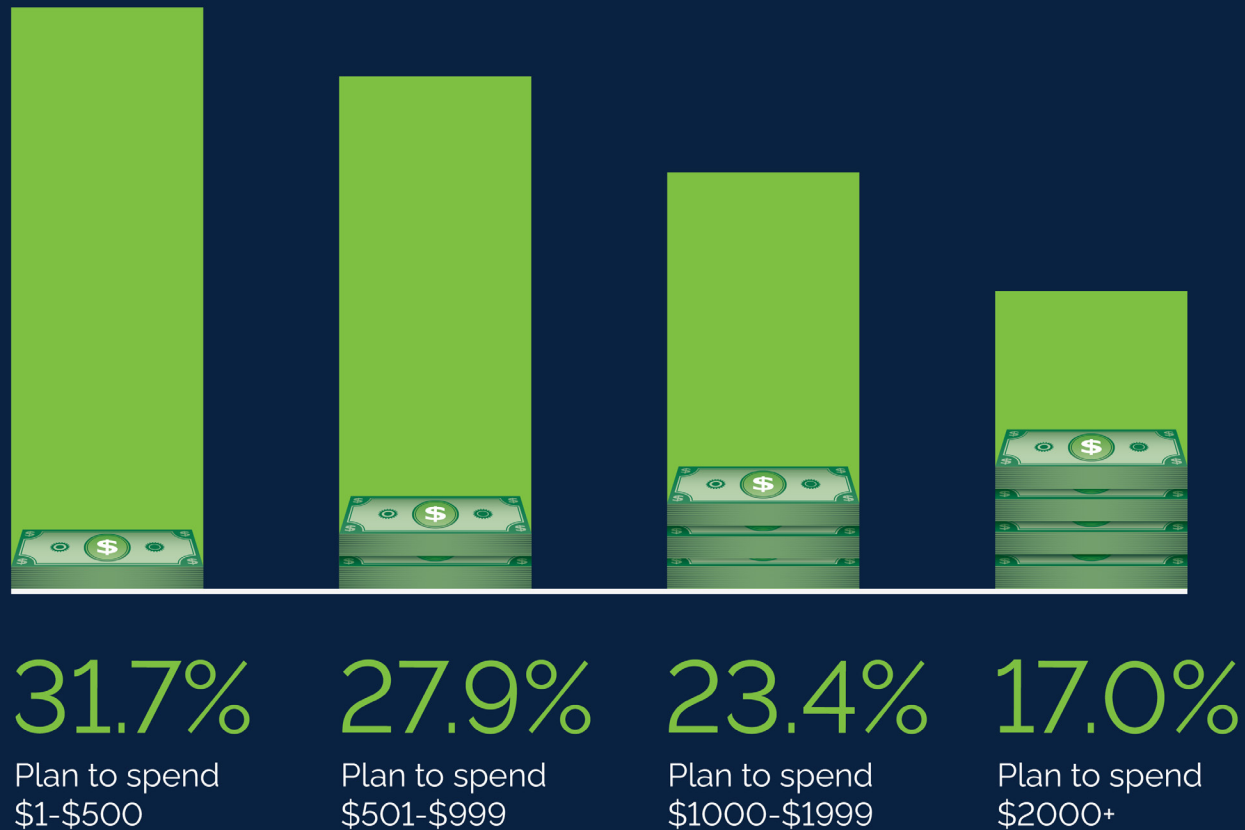
Source: InMarket's Survey data of 1200 respondents, January 2021.

The majority of respondents (58%) plan on driving to their vacation destinations, while 42% said they will take a plane. Train (7%), bus (6%), and subway (4%) were considered the least popular travel options. Taking into consideration that most consumers are planning on [staying within the US](#)—but traveling out of state (53%) in particular—the survey data suggests that more consumers may want to opt for a more comfortable, longer road trip. According to the Energy Information Administration (EIA), gas prices are expected to climb to a three-year high this summer—a [34%](#) increase from 2020—in the next six months. The EIA also forecasts 15% more highway travel this summer. Additionally, car rental prices are also seeing a [sharp spike in prices](#), strongly indicating that there's a growing demand for vehicles used short term. Domestic air travel is also likely to be popular: according to the Transportation Security Administration, more than [10 million](#) travelers passed through security at American airports during April 2021—12 times the number during the same week last year.

Targeting and messaging recommendations:

- QSRs should target messaging near gas stations and busy highway corridors.
- Gas stations should promote food items best suited for travelers on-the-go, and reduced gas pricing or rebates/loyalty card to highlight discounts and value in the face of rising gasoline prices.
- Big box stores should promote items like car games, cables, external batteries, eye masks, neck pillows, and travel-sized items.
- Target car rentals at airports and regular standalone car rentals with unique messaging respective to its location.

How Much Do You Plan on Spending for Your Vacation?



Source: InMarket's Survey data of 1200 respondents, January 2021.

More than half (60%) of respondents plan on spending less than \$1000 on their vacations, suggesting that travelers will be conscious of their leisure costs. According to the US Bureau of Labor Statistics, [9.8 million](#) people—or roughly 6% of the population—are still unemployed as of April 2021, remaining above pre-pandemic levels of 5.7 million (4%) in February 2020. While consumers are attempting to regain a sense of normalcy with vacation plans, they are still carefully managing their budgets (so it's unlikely they'll spring for a flight or room upgrade).

Targeting and messaging recommendations:

- To cater to vacationers looking to travel on a budget, messaging should feature discounts, promotions, and value savings. For the travelers with a bigger budget, messaging can highlight luxurious options with reasonable price points so that consumers can feel like they're indulging.
- Hotels, airlines, and rental car companies should feature deals and bundles.

Who Are You Traveling With?



42.8%

Plan on traveling with their significant other

30.5%

Plan on traveling with kids

43% of survey respondents said that they plan on traveling with their significant other, and 31% said they plan on traveling with kids—suggesting that vacations this summer are likely to be a family affair.

Targeting and messaging recommendations:

- To cater to all types of travelers, hotels and resorts should highlight adult-only and kid-friendly events, along with available babysitting options.
- Restaurants should feature family meal packs, kids meals, and 2-for-1 deals.
- Big box stores should feature wet wipes, kid-friendly snacks, colored pencils/coloring books, bug spray, sunscreen, and car/beach games.
- Amusement parks and tourist attractions should offer discounts on bulk ticket purchases.

How Can Marketers Prepare?

With Summer 2021 fast approaching, it's imperative for marketers to stay attuned to consumer behaviors in order to plan and strategize. Not all consumers will be comfortable traveling this year, so understanding the differences in sentiment by various segments is key to optimizing marketing messages accordingly. Marketers should leverage a combination of rich location data insights, hyper-targeted audiences, and geo-contextual real-time marketing to engage with travelers this summer season. Plus, summer travel is merely the kickoff of the travel season. Start engaging with consumers now to increase adoption and strengthen loyalty. For example, offer bonus rewards or new ways to earn loyalty benefits faster as we move into the busy fall and winter holiday travel seasons. Additionally, marketers should consider leveraging the following:

Build

- **Insights from location data can signal areas across the country that are more comfortable moving about.** InMarket's entire suite of analytics solutions and insights, including **InMarket's Brand Scorecard, Competitive Scorecard, Media Scorecard and Discovery Tool**, provide marketers with the power of data in order to monitor and respond to shifts in consumers behavior in real time. In addition, tools like **InMarket's [Economic Mobility Index \(EMI\)](#)** use foot traffic data to analyze economic recovery by industry and by DMA. The EMI can be filtered by airports so that marketers can see what destinations across the country are being frequented the most by travelers. In addition, marketers can use this data to see where consumers are more comfortable visiting businesses in person as an indicator of openness to travel and therefore overall pandemic recovery.
- **Location data helps marketers uncover the most optimal locations for advertising, thereby maximizing potential ROAS.** By leveraging tools like the EMI, marketers can identify the most opportune locations in DMAs across the country where travelers are going. For example, by uncovering the airports that are frequented most by travelers, marketers can increase messaging in order to maximize reach by the influx of consumers.



Learn

- **Specialized audience segments built using location and purchase data ensure ad dollars are not wasted on the wrong audiences.** Using a combination of location data and purchase data, marketers can create hyper-focused audience segments of the most receptive, likely-to-travel shoppers, ensuring ad budgets are spent wisely. For example, **InMarket's Prosperous Passengers GeoType** is a segment of wealthier travelers with high incomes likely to afford a more luxurious vacation than the **Buttoned-Up Millennial GeoType**, a segment motivated by savings and less likely to splurge on vacations. Understanding the different motivators of GeoTypes allows marketers to craft custom messaging to boost engagement, and also provide contextual offers in real time that both resonates with consumers and optimizes ROAS. Also, InMarket audience segments can also be used to target frequent guests at dozens of hotel chains, enabling marketers to reach travelers when they're on their vacations.
- **Geo-contextual, real-time marketing messages engage travelers in the most opportune moments during their shopper journey.** Vacation takes preparation: whether travelers are splurging on new outfits before their flight, or stocking the pantry at their rental house, travelers spend a considerable amount of money on preparation—excluding travel and lodging. By leveraging geo-contextual, real-time marketing messaging, like **InMarket Moments**, marketers can engage with consumers as they're planning their trip, or when they're in a store making their purchases, ensuring their brand is top-of-mind as consumers fill their cart. When combined with **InMarket Audiences**, marketers can reach specific segments of travelers during these key moments during the purchase process.

Measure

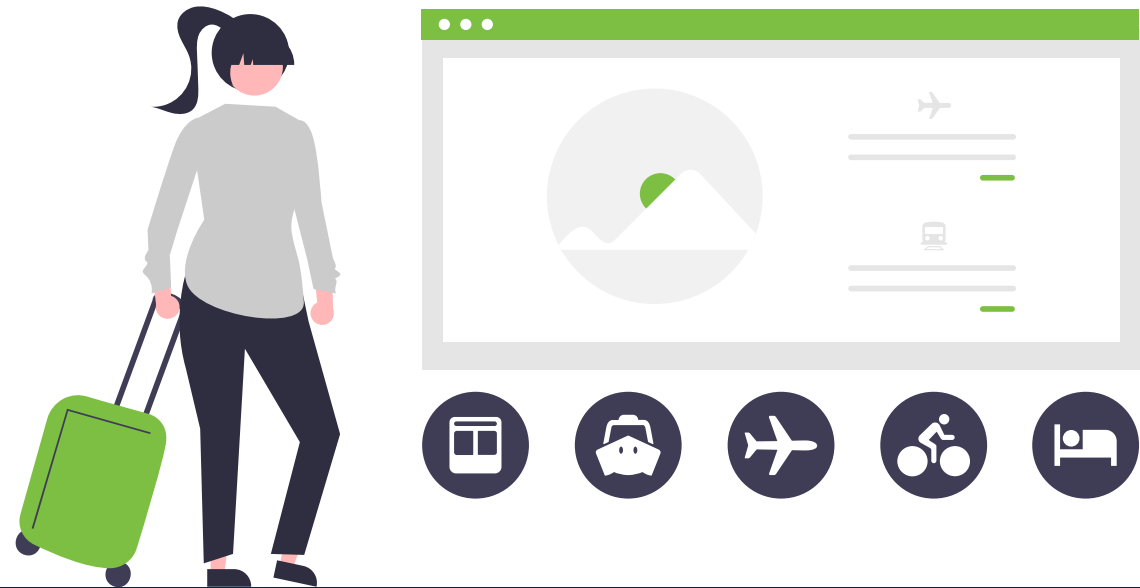
- **Attribution solutions enable marketers to optimize campaigns in-flight depending on the performance.** Pandemic recovery is a multi-month period and consumers have varying levels of comfort around traveling. By leveraging attribution solutions, like InMarket's LCI® (Lift Conversion Index), marketers can make intracampaign optimizations, ensuring only the most engaging creatives are delivered to the most receptive audiences.



How Can Marketers Prepare?

After a subdued 2020 summer travel season, the data suggests that many consumers won't let another summer go by without some rest and relaxation away from home. Vacationers will soon be on the roads and in the air as the country slowly advances towards a level of 'normalcy.' Marketers, don't miss out on this opportunity to engage with travelers this summer season. InMarket, with our suite of rich and unique data solutions, is here to help you go wheels up on your Summer 2021 Travel Strategy.

[Contact your InMarket representative today to learn more.](#)



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