

LONG-HAUL TRAVEL BAROMETER 2/2021 TRAVEL HORIZON: MAY- AUGUST



LONG-HAUL TRAVEL BAROMETER

METHODOLOGY

- Target Potential travellers from Brazil, China, Japan, Russia and the US.
- Method 1,000 online interviews with national representatives (18-70 years old), per market, per wave.
- Frequency: Interviews are conducted 3 times per year and provide insights about the travel horizons: January-April; May-August and September-December.

TRAVEL THEMES EXAMINED:

- · People's intention to travel outside their region of residence*
- Concerns and barriers to travel
- Important criteria for the selection of destinations
- Travel preferences regarding travel destination, experiences and mode of transportation

* In all markets, the survey monitors respondents' intention to travel outside the region of residence (e.g. North America for the USA). The only exception is the Russian Federation, where intention to travel outside the Commonwealth of Independent States is measured.

Data files are only available to the members of partner organisations.

The survey is meant to gauge travellers' attitudes and intentions, and is not meant to quantify demand levels. For more information on the index calculation please consult the <u>methodology</u>.

The project is realised with the support of <u>TCI Research</u>.



LONG-HAUL TRAVEL BAROMETER #2/2021

HOW TO READ THE RESULTS?

Intention to travel is measured in an index that reflects the dominant sentiment expressed by a market, either positive or negative. The index is tied to a base of 100. Values above 100 indicate a positive evolution, whereas values below 100 indicate negative attitudes towards travel in a given time period.

The Long-Haul Travel Barometers capture people's intention to travel abroad and are <u>not meant</u> to quantify prospect of demand levels.

Long-Haul Travel Sentiment Index (base 100, 2015) Values on this graph are fictive



- Insights in the following slides refer to the travel horizon: May-August 2021
- The field work was conducted between 2-12 April 2021

TRAVELLERS' CONFIDENCE MIGHT START IMPROVING, BUT OVERSEAS TRIPS ARE NOT THE PREFERRED OPTION JUST YET

- Despite the rollout of COVID-19 vaccine across the world and announcements about the easing of travel restrictions this summer, the lack of pragmatic mechanisms for intercontinental travel results in a weak sentiment for long-haul trips in some of the largest source markets.
- The latest Long-Haul Travel Barometer (LHTB) results indicate a particularly weak travel sentiment in Japan and China, where the index for overseas travel and travel to Europe falls below 100*. The evolution of travel demand from these markets is hardly predictable at the moment. Developments will undoubtedly depend on Europe's willingness to welcome travellers who received China's Sinovac vaccine, resumption of air activity between the regions, the Governments' travel advice and quarantine protocols in place.
- Across the analysed markets, **Brazilians** are most eager about travelling overseas between May-August 2021, with an index value of 126 points. When Europe is the destination, however, the index value is lower (100 points), and no immediate improvement seems feasible as an increasing number of European countries, among which are <u>Belgium</u>, <u>France</u> and <u>Italy</u>, have introduced entry bans to Brazilians over severe variant of the COVID-19 virus.
- The long-haul travel sentiment index in the **US** and **Russia** remains above the base, but only 2 in 5 of respondents from these markets are optimistic about visiting Europe in summer 2021. These results suggest that Americans and Russians may still be anxious or feel challenged to organise trips to the region, which may lead to Europe falling behind the demand for domestic and regional destinations, which are easily accessible (e.g. Mexico and the Caribbean for the US).



Evolution of intention to travel long-haul and to Europe

Index Base:100 (>100=expansion, <100=decline)

* Values above 100 indicate a positive evolution, whereas values below 100 indicate negative attitudes towards travel in a given time period

RESPONDENTS WHO DO NOT INTEND TO TRAVEL OVERSEAS

between May-August 2021

SAMPLE SIZES PER MARKET: Brazil: 419 China: 469 Japan: 807 Russia: 514 US: 534

Total sample: 2,743

SAFETY CONCERNS RELATED TO COVID-19 CONTINUE TO PREVENT PEOPLE FROM PLANNING OVERSEAS TRIPS. CHINESE, BRAZILIANS AND JAPANESE RESPONDENTS ARE THE MOST RISK-AVERSE



What is the main reason behind your decision not to travel overseas (trend)?

- Travel is not allowed (e.g. borders are closed)
- My trip was cancelled
- Limited to urism offer
- I did not plan to travel

OBSERVATIONS

Restrictive requirements at the destination

Travel related costs

Safety concerns related to COVID-19

- US: Larger shares of Americans who were pessimistic about overseas travel in summer 2021 shared that they either had COVID-19 related concerns (37%) or did not feel ready to go on a long-haul trip (38%). Meanwhile, the travel-related costs somewhat grew as a concern preventing Americans from organising summer trips far from home.
- RUSSIA: Compared to other markets, Russians do not seem particularly worried about COVID-19 when travelling. Instead, they are more cautious about travel-related costs, which suggests that affordability will be a top priority for future trips, surpassing aspects such as health and safety protocols.
- JAPAN: For 44% of Japanese, overseas travel is clearly not a priority at the moment, while another large share of respondents (43%) stated being worried about COVID-19.
- CHINA: Chinese remain the most concerned about travelling during the pandemic. In fact, the share of
 those not planning/postponing long-haul trips for the moment has increased compared to previous
 waves. A noticeable trend among Chinese is their perception of the limited offer in the destinations,
 making the hassle around organising overseas trips less worthwhile.
- **BRAZIL:** Health and safety concerns related to COVID-19 are the main deterrents preventing Brazilians from wishing to travel far in summer 2021.

* Waves refer to the following travel periods: W18: September-December'20, W19: January-April'21, W20: May-August'21

LOOKING TO THE FUTURE, MORE TRAVELLERS FEEL UNCERTAIN ABOUT THEIR NEXT TRIP TO EUROPE AND MANY ARE PESSIMISTIC ABOUT TRAVELLING BEFORE 2024



^{*} Data collection periods: W18: August'20, W19: December'21, W20: April'21



OBSERVATIONS

- Among respondents not planning to travel to Europe in summer 2021, autumn 2021 does not seem to be an option, either. Very few respondents in each of the surveyed markets selected September-December'21 as an alternative time for their next trip to Europe. Chinese and Brazilians were comparatively more eager to postpone and resume trips to Europe in 2022.
- The overall trend indicates that the share of respondents not planning to visit Europe in the next two years remains rigid in each market, except for China, where fewer people now say they will not visit Europe before 2024.
- The share of respondents uncertain about the exact time of their next trip to Europe increases slightly across all markets. Although this is not a particularly positive result, it might also be a sign that many people remain on a "stand-by" that could potentially transform into last-minute demand for summer trips, if the situation allows. This scenario is particularly plausible for travellers from the US, Russia and Brazil, where the overall travel <u>sentiment is not as negative</u> and the share of people wanting to travel to Europe "as soon as possible" increases.

RESPONDENTS WHO INTEND TO TRAVEL TO EUROPE

between May-August 2021

SAMPLE SIZES PER MARKET: Brazil: 475 China: 422 Japan: 159 Russia: 385 US: 380

Total sample: 1,821

DESTINATIONS' EFFECTIVENESS IN MANAGING COVID-19 WILL DRIVE TRAVELLERS' DESTINATION CHOICE THIS SUMMER. THE IMPORTANCE OF RENOWNED ATTRACTIONS, ON THE OTHER HAND, LOSES WEIGHT IN THE DECISION-MAKING PROCESS

Which criteria for choosing a holiday destination became much more important, for you, as a result of the COVID-19 outbreak?



All markets: 1,821

RESPONDENTS WISHING TO VISIT EUROPE THIS SUMMER ARE LARGELY UNCERTAIN ABOUT THE EXACT TIME OF THEIR TRIP



THE LACK OF MECHANISMS THAT ENSURE OVERSEAS TRAVEL IS POSSIBLE LEAD TO A NEGLIGIBLE FRACTION OF ACTUAL BOOKINGS



BRAZIL CHINA JAPAN RUSSIA USA

BRAZILIANS ANTICIPATE VISITING MORE THAN THREE DESTINATIONS DURING THEIR NEXT STAY IN EUROPE WITH STRONGER DESIRE TO SPEND TIME IN URBAN AREAS RATHER THAN AT THE COAST



*This category refers to respondents who expressed interest in visiting various types of destinations in a single trip (mountains, rural, city, etc.), rather than just one.

Travel horizon May-August 2021

A significantly \bigcirc higher number of Brazilian respondents consider this destination for a trip between May - August'21 compared to the same period in 2020.

CHINA COASTAL DESTINATIONS AND METROPOLITAN AREAS ARE KEEPING UP THE INTEREST OF POTENTIAL CHINESE TRAVELERS. THE DESIRE FOR MULTIPLE COUNTRY TRIPS REMAINS STRONG



*This category refers to respondents who expressed interest in visiting various types of destinations in a single trip (mountains, rural, city, etc.), rather than just one.

Travel horizon May-August 2021

A significantly ◯ higher /● low er number of Chinese respondents consider this destination for a trip between May - August'21 compared to the same period in 2020.

US

US RESPONDENTS ARE MOST INTERESTED IN EMBARKING ON CITY AND COASTAL BREAKS DURING THEIR NEXT TRIP TO EUROPE. AIR TRANSPORT IS THE PREFERRED OPTION TO MOVE AROUND



*This category refers to respondents who expressed interest in visiting various types of destinations in a single trip (mountains, rural, city, etc.), rather than just one.

Travel horizon May-August 2021

A significantly O higher number of US respondents consider this destination for a trip between May - August'21 compared to the same period in 2020. RUSSIANS ARE LONGING FOR SUNNY BEACH GETAWAYS IN THE MEDITERRANEAN, TURKEY, GREECE AND ITALY TOP THE LIST OF PREFERRED SUMMER DESTINATIONS



*This category refers to respondents who expressed interest in visiting various types of destinations in a single trip (mountains, rural, city, etc.), rather than just one.

Travel horizon May-August 2021

A significantly \bigcirc higher number of Russian respondents consider this destination for a trip between May - August'21 compared to the same period in 2020.

JAPAN THINKING ABOUT THEIR NEXT TRIP TO EUROPE, JAPANESE IMAGINE VISITING CITIES AND COASTAL LOCATIONS. AIR TRANSPORT IS THEIR FIRST CHOICE TO MOVE WITHIN EUROPE



*This category refers to respondents who expressed interest in visiting various types of destinations in a single trip (mountains, rural, city, etc.), rather than just one.

Travel horizon May-August 2021

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No significant differences were observed in terms of destination preferences compared to May - August'20.

JOIN THE LHTB PROJECT!

LONG-HAUL TRAVEL BAROMETER

The primary goal of the project is to anticipates short-term travel intensions in overseas markets that are key for the European tourism industry.

This initiative offers interested partners the opportunity to investigate motivations and barriers to travel in long-haul source markets in detail and ask specific questions relevant to the present context.

<u>Contact us</u> if you are interested to learn more about the project and the cooperation opportunities.





