expedia group™
media solutions

2022 | Q4

Traveler Insights Report

Enthusiasm for Travel Endures

As highlighted in our most recent quarterly reports, travel intent is on the rise – and looks to be on a steady path with growth in some areas and in some parts of the world. What we saw as borders started opening is still holding true – people continue to be eager to travel again and are willing to invest. According to our new Traveler Value Index study, nearly half (46%) of consumers globally say travel is more important to them now compared to pre-pandemic, and nearly as many (43%) are backing up that claim by upping their travel budget next year.

However, the prioritization of travel may be impacted by other issues affecting consumer confidence, such as inflation, higher fuel prices, ongoing political conflicts, and natural disasters. While travelers are more conscientious and making choices based on sustainability, inclusion, and representation, these external factors, among others, are likely to drive a renewed focus on value and potentially the re-emergence of deal-driven decisions.

Read on for more insights into the evolving traveler behaviors and attitudes we are seeing based on our 70 petabytes of Expedia Group first-party data from Q3 2022 as well as our latest custom research. Connect with us any time for more specific data on your region and destination, and subscribe to our blog for more.

JENNIFER
Andre

Global Vice President
Expedia Group Media Solutions

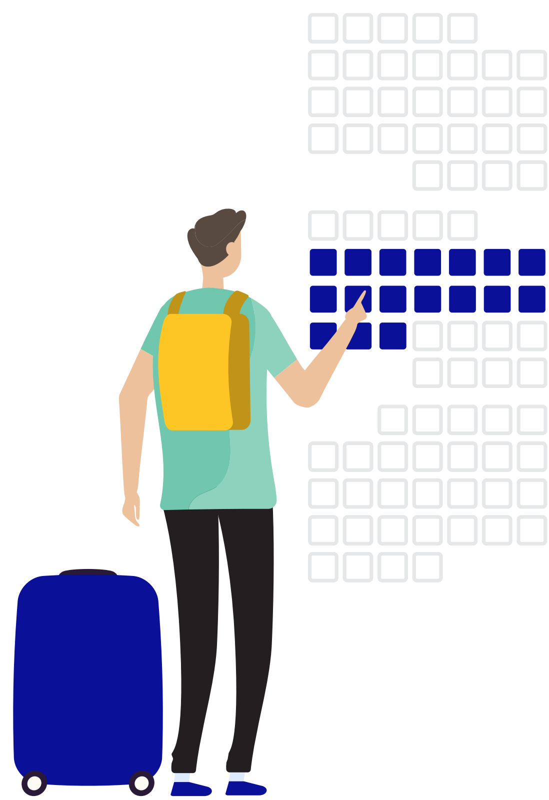
Quarterly Snapshot

Sustained Traveler Interest

Following multiple quarters of search growth globally, search volumes across Expedia Group branded sites in Q3 2022 were flat quarter-over-quarter, suggesting steady traveler interest and enthusiasm for travel.

Travelers Open to Planning Further Out

Most travelers are still planning trips in the near term, with global share of searches in the 0- to 90-day window holding steady quarter-over-quarter. However, some travelers are beginning to plan further out, with the 180+ day window growing for travelers in EMEA and NORAM.



Quarterly Snapshot

Holiday Travel & Beyond

Travelers are planning further out for their holidays. Globally, searches for travel during November and December are up more than 60% year-over-year, and searches for 2023 travel are up by 65% year-over-year.

City Breaks Grow in Popularity

Major cities like New York, London, and Singapore maintained their presence on the top 10 list of booked destinations in Q3 2022. An increasing number of city break destinations – including Boston, Berlin, and Bangkok – also joined the top 10.

Quarterly Snapshot

Evolving Business Travel Outlook

The industry and consumer outlook on business travel is making gains. During Q3, there was an over 10% year-over-year uplift in demand from travelers with a business travel profile. New custom research also found that 32% of consumers plan to take a business trip in the next 12 months.

Sustained Traveler Enthusiasm

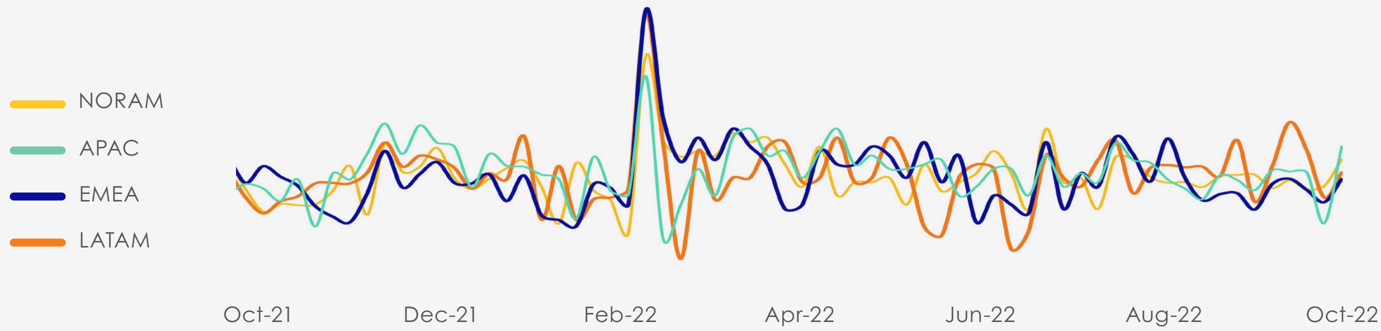
Following multiple quarters of search growth globally, Q3 2022 search volumes across the Expedia Group branded sites were flat quarter-over-quarter, following a similar pattern seen in Q2 2022. Despite a bit of volatility throughout the quarter, positive trends emerged for some regions, notably Asia Pacific (APAC). During the week of September 12, search volume from APAC increased over 10% week-over-week, corresponding with the easing of entry restrictions for travel to Japan, which likely drove more searches from APAC to the destination.

Domestic Search Volume

Domestic search performance fluctuated throughout the quarter, with the strongest week-over-week growth throughout the month of July, and particularly the weeks

Q3 | 2022

Destinations Super-Regions | WoW Search % Change



Source: Expedia Group data, Q3 2021 -Q3 2022 of July 4 and July 11, led by Latin America (LATAM) and Europe, Middle East, and Africa (EMEA).

International Search Volume

APAC saw the strongest week-over-week international search growth in Q3, with 20% growth during the weeks of August 22, September 12 and September 19. The uptick in international searches in September was likely spurred by announcements around lessening travel restrictions, such as those lifted or eased in Hong Kong and Japan.

Growing Importance of Travel & Key Influences

Search volumes for 2022 to-date suggest that traveler interest and enthusiasm for travel remain consistent, and recent consumer insights underscore this further. According to the new Traveler Value Index 2023 study, 46% of consumers said travel is more important to them now compared to pre-pandemic. The online survey of 11,000 consumers across 11 markets, conducted by Wakefield Research between June 28 and July 18, 2022, reveals that travel demand is on the rise and is expected to return to pre-pandemic levels soon. Notably, nearly 8 in 10 consumers will take at least one leisure trip in the next 12 months, and more than half (54%) will take at least 2 leisure trips.

8 in 10

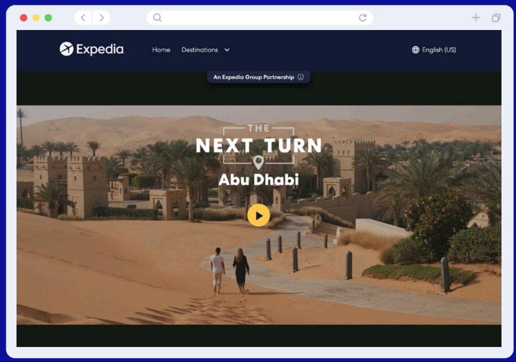
consumers will take at least one leisure trip in the next 12 months

But the growing demand is not just for standalone leisure travel – 29% will take a bleisure trip (combining business travel with leisure travel) and 28% will take a flexcation (booking accommodation for a longer duration to mix work and play).

With consumers placing increased importance on travel, they are also looking for inspiration from – and being influenced by – a variety of sources, both online and offline. While friends and family (52%) and travel providers (44%) are the most popular sources of travel inspiration for consumers, social media (35%) is close behind, and outpacing more traditional outlets such as travel agents (29%), media publications like newspapers/magazines (26%) and entertainment, like TV and movies (25%).

And it's no surprise that younger generations are more influenced by social media. Approximately half of Gen Z (53%) and Millennials (48%) are influenced by social media, with social media being the No. 1 and No. 2 most popular sources of travel inspiration for Gen Z and Millennials, respectively.

Campaign spotlight



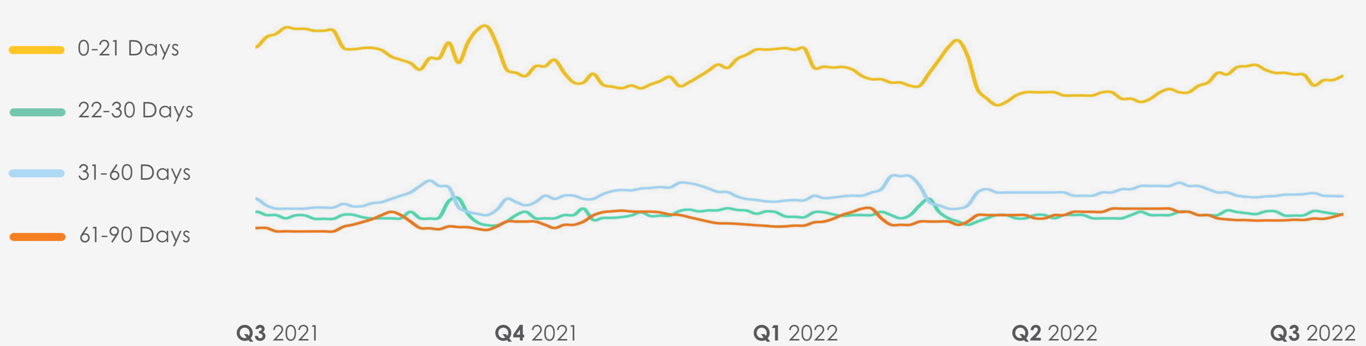
The Abu Dhabi Department of Culture and Tourism knows the power of social media as a source of travel inspiration and worked with our in-house creative agency on an original video episode for "The Next Turn" series. In the "City of Surprises" episode, travel shoppers are invited to join Ellie, social media influencer and owner of The Ginger Wanderlust travel blog, on an adventure exploring Abu Dhabi. The campaign follows a "watch, explore, and book" strategy, connecting inspirational content with a shoppable experience. The video is amplified through social media, utilizing short trailers to hook viewers and entice them to learn more. Ellie is also sharing the content on her social channels, further expanding the message to her trusted audience and encouraging bookings.

Travelers Open to Planning Further Out

Most travelers are still planning trips in the near term, with global share of searches in the 0- to 90-day window holding steady quarter-over-quarter during Q3 2022. Globally, the 0- to 21-day search window saw the largest growth, with a 10% increase in search share quarter-over-quarter. However, a historical comparison shows that Q3 2022 search share in the 91- to 180-day window is up 10% compared to Q3 2019, indicating that travelers are planning further out than even pre-pandemic.

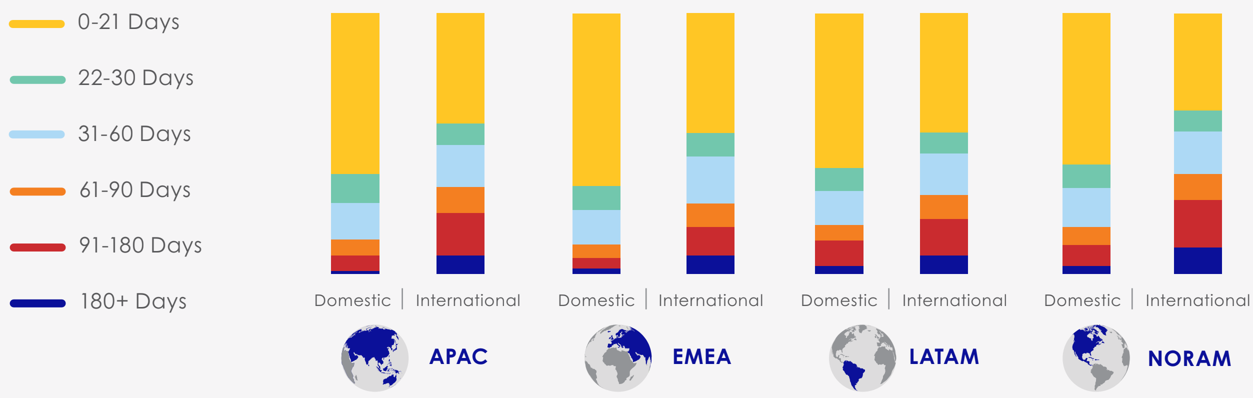
Insights from the Traveler Value Index 2023 study further reinforce the insights from our first-party data. The survey found that 55% of consumers feel comfortable booking travel less than

2021-2022
Global Traveler Search Windows | Week over Week % Change



Source: Expedia Group data, Q3 2021-Q3 2022

Q3 | 2022
Super Region Search Window Domestic vs. International



Source: Expedia Group data, Q3 2022

a month in advance, compared to 64% who feel comfortable booking travel within 3 months. On average, consumers are comfortable booking 5 months in advance, up from 4 months, according to Expedia Group research from November 2021.

Despite the sustained popularity of shorter search windows, there are signs that travelers are beginning to plan further out. Regionally, travelers from EMEA and North America (NORAM) are looking at and planning travel for next year, as evidenced by share growth in the 180+ day search window, up 25% quarter-over-quarter in EMEA and 20% in NORAM. In APAC, the strongest share growth occurred in the 91- to 180-day search window, up 10% quarter-over-quarter.

Domestic Search Window

Following trends seen during Q2, the majority of global domestic searches in Q3 fell within the 0- to 30-day window. EMEA domestic search share for the 0- to 30-day window increased 15% quarter-over-quarter, as continued regional instability may be causing people to look for trips in the short-term,

while LATAM domestic search share increased 10% quarter-over-quarter in both the 0- to 30-day and 91- to 80-day windows.

40%
quarter-over-quarter increase in search share for EMEA international searches in the 180+ day window

International Search Window

Globally, the share of travelers searching for international destinations in the 180+ day window increased more than 10% quarter-over-quarter. In EMEA, international search share in the 180+ day window increased 40% quarter-over-quarter, while NORAM saw a 10% increase.

According to the Traveler Value Index 2023 findings, nearly half of respondents are likely to travel internationally in the next 12 months. Compared to only 12% in 2020 and 35% a year ago, this is a drastic and important shift that points to international travel returning to pre-pandemic levels. This is also welcome news for many in the travel industry, including the 83% of travel professionals who said in the survey that doing business with international travelers is a medium or high priority.

Holiday Travel & Beyond

Following a trend seen in Q3 2021, travelers are planning ahead for the upcoming holiday 2022 season and are looking to make the most of their time away. Globally, Q3 searches for travel during the holiday season (November and December) were up more than 60% year-over-year.

This demand is particularly strong in APAC, where Q3 searches for the holiday season were up triple-digits year-over-year. With strict travel restrictions throughout many sub-regions in APAC, and some only recently lifting, the strong search growth indicates pent-up demand for holiday season travel, and an optimistic outlook for the remainder of 2022. Further bolstering the holiday season search growth, EMEA saw year-over-year growth of nearly 60%, while LATAM and NORAM were also up by double-digits year-over-year.

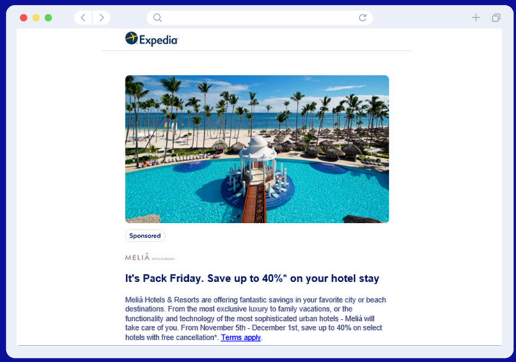
While enthusiasm for travel is steady, consumers are paying more attention to cost as inflation concerns continue to be top of mind. The Traveler Value Index 2023 study found that consumers value getting the lowest price most when booking a trip in the current environment. With major U.S. shopping holidays including Black Friday, Cyber Monday,

Globally, Q3 searches for travel during the holiday season are up more than 60% year-over-year

and Travel Tuesday on the horizon, it's a pivotal time for travel advertisers to capture the e-commerce opportunity by targeting travel shoppers with deals this holiday season.

In addition to rising searches for holiday season travel, early searching for travel next year is up year-over-year. When comparing next year searches made in Q3 2022 to next year searches made in Q3 2021, we saw an almost 65% increase in searches year-over-year. The rise in future travel searches for the year ahead could be because there is less uncertainty from the pandemic, and travelers feel more confident planning further out, or they are looking to secure a great deal ahead of potential rising costs.

Campaign spotlight



In the Fall of 2020, Meliá Hotels International saw an opportunity to create demand for leisure stays in the regions where borders were re-opening. To reach those looking to travel again, they worked with us to develop a digital marketing and advertising strategy that created and captured demand during Black Friday and Cyber week. For the campaign, Meliá Hotels International launched three different banners to speak to different audiences and drive momentum and consistent brand visibility during the Black Friday stages: pre-Black Friday, Black Friday, and Cyber Monday. To provide premium visibility, create conversion, and make the banner implementation more impactful, Melia supported the campaign with a dedicated Black Friday email, sent to nearly 600K customers from our Expedia US database. Overall, the campaign led to 2.9M impressions and an over 585% increase in room night demand year-over-year.

Top International Destinations for Family Travelers | Q3 2022

For APAC Travelers	For EMEA Travelers	For LATAM Travelers	For NORAM Travelers
Singapore	London	Orlando	Niagara Falls
Tokyo	Paris	Anaheim	Cancun
Bangkok	Istanbul	San Diego	London
Honolulu	Copenhagen	New York	Punta Cana
Osaka	New York	Madrid	Paris

Source: Expedia Group data, Q3 2022

Growing Demand for Family Travel

Our Traveler Insights Report last quarter highlighted the recovery of international family travel and growing popularity of family-friendly destinations, and this trend is continuing. International family travel demand in Q3 grew by nearly 90% year-over-year, further indicating growing traveler confidence for international travel. The top international destinations for family travel represented a broad variety of destinations – from major cities and cultural capitals to beach and adventure destinations.

City Breaks & Beach Getaways Grow in Popularity

Major cities and beach destinations—including New York, London, and Cancun—made the global top 10 list of booked destinations in Q3, but were again joined by city break destinations, including Chicago, which rose in popularity compared to Q2, and Boston, a newcomer to the list. New York and London made the top 10 list of booked destinations by travelers across all regions, while Paris again made the top 10 lists for travelers from APAC, EMEA, and LATAM.

The rising appeal of city break destinations also occurred on regional top 10 lists of booked destinations, including Amsterdam, Copenhagen, Istanbul, and a new addition, Berlin, in EMEA and Chicago and Boston, as well

Top 10 Booked Destinations | Q3 2022

*New Top 10 destination

For APAC Travelers	For EMEA Travelers	For LATAM Travelers	For NORAM Travelers
Tokyo	London	Mexico City	New York
Seoul	New York	New York	Las Vegas
Singapore	Paris	Cancun	Los Angeles
London	Dubai	Sao Paulo	Orlando
Bangkok*	Istanbul	Paris	Chicago
Sydney	Barcelona	Rio de Janeiro	Cancun
Paris	Copenhagen	Madrid	London
New York	Amsterdam	Las Vegas	Boston
Melbourne	Berlin*	Orlando	San Francisco
Honolulu	Stockholm	London	Miami*

Source: Expedia Group data, Q3 2022

as newcomer Miami, in NORAM. In APAC, Bangkok entered the top 10, following the lifting of travel restrictions in Thailand on July 1.

For travelers seeking fun in the sun or a warm weather getaway, beach destinations remained a popular choice. Cancun held its spot on the top 10 list of booked destinations for travelers from LATAM and NORAM, while Sydney and Honolulu made the list for APAC travelers.

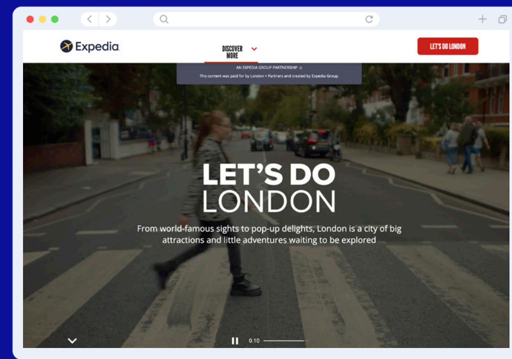
Trending Countries

With traveler confidence on the rise, international searches continue to increase, resulting in notable growth during Q3. Comparing July 2022 to September 2022, searches for the U.S. from Germany increased 60%, while searches for Mexico from Canada increased 40%. Looking even further afield, searches for India from the U.S. increased 20% during the quarter. Meanwhile, intra-country searches for Australia increased 20% in Q2, and New Zealand intra-country searches increased by 10%.

Trending Cities

Likely as a result of the lifting travel restrictions for Japan, searches for Tokyo increased 85% between July 2022 and September 2022 from travelers around the world. London, Seoul, and Phoenix also saw double-digit search increases globally during Q3.

Campaign spotlight



As border restrictions continue to lift, destinations are looking for new ways to engage and bring back international travelers. London & Partners set out to showcase the iconic and unique experiences London has to offer travelers, bringing people into the hidden gems of the vibrant city. Partnering with Media Solution's in-house creative team, the "Let's Do London" campaign focuses on the rich history, culture, and dining of the city. Multiple videos extend the campaign, as part of the "Dawn Till Dusk" video series from Expedia Group, inviting viewers in for a glimpse of London as a hub for creativity with a passion for sustainability and inclusion.

Meanwhile, in APAC, major cities throughout Japan – including Kyoto, Osaka, Tokyo, and Fukuoka – saw a more than 60% increase in searches during Q3. Additionally other cities throughout APAC, including Bangkok, Hong Kong, and Kuala Lumpur, saw double-digit search growth. Outside of the APAC region, London and Paris were also trending search destinations for APAC travelers.

Lodging Performance

Global lodging bookings for hotels and vacation rentals combined in Q3 were up by double-digits year-over-year, with APAC seeing triple-digit year-over-year growth and double-digit growth quarter-over-quarter, likely driven by the relaxation of travel restrictions across many sub-regions in APAC.

Q3 saw a 20% increase in stayed room nights and a 4% increase in stayed average daily rates (ADRs) year-over-year. APAC saw the strongest quarter-over-quarter growth in stayed room nights during Q3, up by double-digits.

The average length of stay for both hotels and vacation rentals was consistent quarter-over-quarter. As also seen last quarter, room night cancellation rates globally declined by double-digits compared to Q3 2019.

As with prior quarters, domestic travel continued to drive the vacation rental

Top 10 Vrbo-Booked Destinations | Q3 2022

*New Top 10 destination

For APAC Travelers

Surfers Paradise, Australia
Cowes, Australia
Dunsborough, Australia
Queenstown, New Zealand
Rye, Australia*
London, England
Port Douglas, Australia
Noosa Heads, Australia
Port Macquarie, Australia*
Byron Bay, Australia*

For EMEA Travelers

Kissimmee, Florida
Paris, France
Albufeira, Portugal
London, England
Nice, France
Playa Blanca, Spain*
Davenport, Florida
Marseille, France*
Cuxhaven, Germany*
Gérardmer, France*

For LATAM Travelers

Ubatuba, Brazil
Guarujá, Brazil
Rio de Janeiro, Brazil
Cabo Frio, Brazil
Bertioga, Brazil
Praia Grande, Brazil
Kissimmee, Florida
São Sebastião, Brazil *
Maceió, Brazil *
Guarapari, Brazil*

For NORAM Travelers

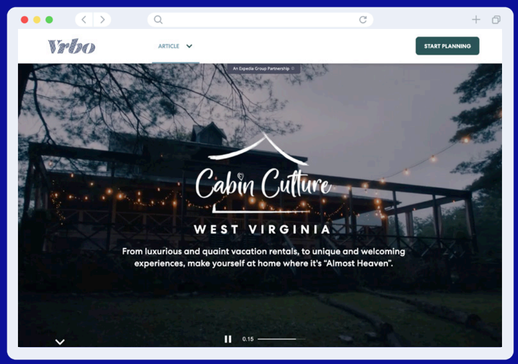
Panama City Beach, Florida
Kissimmee, Florida
Sevierville, Tennessee*
Lahaina, Hawaii
Gulf Shores, Alabama
Orange Beach, Alabama
Kihei, Hawaii
Hilton Head Island, South Carolina
Destin, Florida
Myrtle Beach, South Carolina

Source: Expedia Group data, Q3 2022

category in Q3. Australia, France—along with newcomers Spain and Germany, Brazil, and the U.S.—maintained their rankings as the top booked countries in their respective regions on Vrbo.

Among APAC travelers, destinations within Australia accounted for 7 of the top 10 booked destinations on Vrbo, along with neighboring New Zealand and a longer-haul destination, England. EMEA and LATAM travelers continued to seek out beach and countryside destinations, as well as big cities, with Kissimmee, Florida making the top 10 Vrbo booked destinations for travelers from both regions. Hilton Head Island, a popular beach destination in South Carolina, moved up in the rankings for top Vrbo booked destinations list for NORAM travelers, likely driven by summer

Campaign spotlight



Since the first year of the pandemic, there has been an increase in demand for alternative accommodations and vacation homes, resulting in exponential growth in available rental options. This trend inspired a recent West Virginia Department of Tourism campaign with Vrbo: "Cabin Culture." The DMO worked with our team to create a custom landing page on Vrbo that serves as a one-stop shop for planning a cabin getaway, inspiring travelers to explore West Virginia's luxurious and quaint cabins, world-class outdoor recreation, and dining, as well as book a trip. Further leveraging the power of inspirational content and the role of activities and experiences in the trip planning process, the campaign includes a series of videos following two travelers as they embark on a journey to discover the Mountain State, including hiking to Harper's Ferry, riding a jet boat throughout a national park, horseback riding and more.

travel. Sevierville, Tennessee, a popular tourism spot in the state, moved into the top 10 and snagged the No. 3 position, returning to the list for the first time since Q4 2021.

Growth of Unique Accommodations

Unique and differentiated vacation rentals are also piquing traveler interest. Year-over-year demand for Vrbo alternative stays* in Q3 was up by triple-digits, and up by more than 50% compared to Q3 2019.

**Alternative Stays as Defined by Vrbo listings*

- Cabin
- Chalet
- Farmhouse
- Country House or Chateau
- Lodge
- Barn
- Recreational Vehicle
- House Boat
- Castle
- Boat
- Tower
- Mill
- Yacht

Demand for villas on Vrbo has also seen substantial year-over-year growth, based on Q3 stays. This growth could be a post-pandemic trend, driven by more people traveling with larger groups and loved ones and seeking out unique experiences and private accommodation options.

Flight Performance

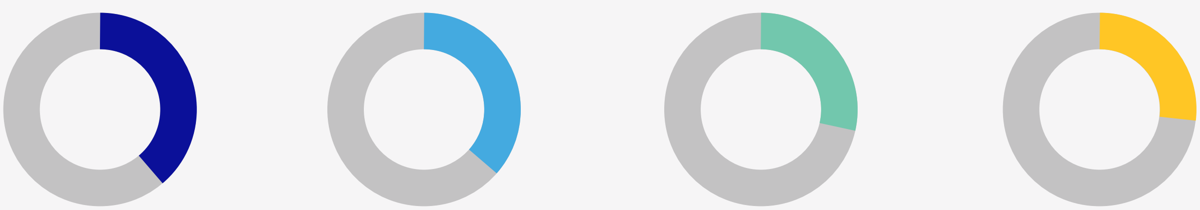
Globally, the average ticket price in Q3 decreased significantly quarter-over-quarter, following a double-digit increase during Q2. However, year-over-year, the global average ticket price is up by double-digits – another potential impact resulting from inflation – led by EMEA and APAC.

Evolving Business Travel Outlook

As we progress toward the end of the year, the industry and consumer outlook on business travel is making gains. While there are signs pointing to the return of business travel, including consumer optimism and eagerness, business travel volume is improving, though still down compared to 2019.

During Q3, there was a 10% year-over-year uplift in demand from travelers with a business travel profile, defined as a single adult with an average length of stay less than 4 days, and a trip start day on a weekday other than Thursday or Friday. London was a top 10 booked city for business travelers from APAC, EMEA and NORAM, while New York made the

For which reasons will consumers travel for business in the next 12 months?



37% Meet & work with customers

32% Industry conferences & events

28% On-site visits & monitoring

26% Internal team meetings

17% | Manage mergers & acquisitions

16% | Hire, onboard & train new employees

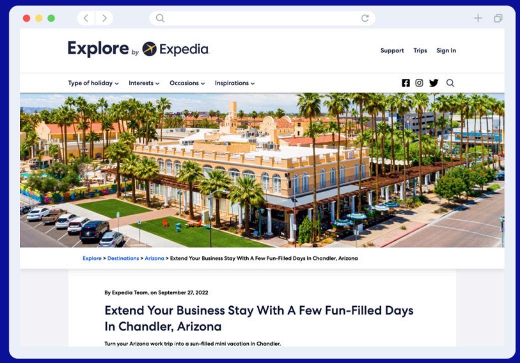
17% | Other

list for travelers from APAC and NORAM, and Paris was a leading destination for travelers from APAC and EMEA.

According to the U.S. Travel Association Q3 Business Travel Tracker, which surveyed business travelers and corporate executives, most respondents plan to travel for business in the next 6 months, with 80% expecting to travel for internal meetings, 78% for conferences, conventions or trade shows, and 75% for customer, supplier or stakeholder meetings. On average, business travelers expect to take 1.8 trips per month, compared to 1.9 pre-pandemic.

Our research also revealed a rise in business travel intent during the next year. Nearly 1 in 3 consumers (32%) plan to take a business trip in the next

Campaign spotlight



As business travel returns, destinations are starting to drive awareness of bleisure travel by encouraging longer stays around work trips. The Chandler Office of Tourism is working with our team to inspire business travelers headed to Phoenix to extend their stay with a few fun-filled days in close-by Chandler, Arizona. Utilizing a promotional blog post, business travelers are invited to work on their golf swing, discover the desert, check out the exciting restaurants, and even bring along the family to enjoy the year-round “pool season.”

12 months, including 62% of remote workers. Of those planning to take a business trip, 85% are looking forward to traveling for work.

Business travelers are also making trips for a multitude of reasons, most notably to meet and work with customers (37%), attend industry events (32%), or conduct on-site visits (28%).

Among those taking business trips, 76% plan to take a bleisure trip and 71% plan to take a flexcation, which demonstrates the blurring lines between work and leisure travel. As traveler decisions may soon be more budget driven as a result of current economic conditions, bleisure travel represents a strategic opportunity for travel marketers to promote deals around extended stays or use messaging that inspires travelers to make the most of their time away from home.

Looking Forward

Industry Accountability

Our recent quarterly reports and custom research have highlighted the importance consumers place on sustainability and inclusion, and the good news is that the industry is listening.

According to the Traveler Value Index 2023 study, 74% of travel industry professionals said their organization provides information to customers on how they can be more sustainable travelers, with 29% offering a great deal of information. However, in the U.S., only 66% of organizations reported providing this information to consumers, indicating that there is still work to be done to make sustainability information more readily available to travelers.

In addition to a focus on sustainability, many organizations have already taken steps to improve inclusivity and accessibility, with even more to come. In the study, 4 in 5 travel industry professionals agreed that promoting inclusivity and accessibility for all travelers is a top priority for their business in 2022. And companies are following through with this commitment; 3 in 5 organizations have made changes to ensure their services are inclusive and accessible, and an additional 21% have plans to do so.

Evolving Traveler Expectations & Priorities

Travel industry recovery and rebuilding over the past year is also driving yet another shift in traveler considerations, priorities, and expectations. Prior to the pandemic, activities and experiences were key drivers of traveler decisions, prioritized ahead of deals and the lowest price.

During the past few years, and particularly the first year of the pandemic, travelers prioritized cleanliness, health and safety protocols, and other factors that would minimize their risk of exposure. Our latest study found that enhanced cleaning is no longer a leading factor for consumers when booking accommodations – a notable change from last year – and they now most value the ability to get a full refund if they need to cancel (41%), atypical, low pricing (38%) and flexibility to make changes without incurring a fee or penalty (33%).

When ranking the most valuable features across a range of booking options, consumers almost universally place full refunds at the top. Around half of the consumers said they would never book non-refundable lodging (47%) or transportation (51%) domestically, in an effort to secure a lower price. Even more would refuse non-refundable lodging (57%) and transportation (59%) for international travel.

Monitoring Headwinds

With continued inflation on a global scale, we anticipate these impacts may be felt later this year or early into 2023. In the latest study, consumers were most likely to cite inflation (51%) as affecting their travel plans in the next 12 months. We're also seeing a shift in how people think about travel and the price they are paying as it relates to perceived value. With this, travelers will be more closely evaluating every aspect of their travel experience to make sure it's worth their investment and aligns with their expectations.

Lingering pandemic concerns also continue to influence some travel decisions, including destination types and travel experiences. Findings from the study found that consumers are most likely to choose a drivable destination close to home (33%) for their next leisure trip. This is further supported by their transportation choices, with 62% of consumers expecting to travel by car in the next 12 months. However, more than half (51%) of consumers expect to take a flight in the next 12 months, including 64% of business travelers.

Ready to get started?

For more specifics on our traveler data and insights, and how we can help you capture demand, reach out to your Expedia Group Media Solutions representative or **Contact Us** on our website.

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Expedia Group Media Solutions is a global travel advertising platform that connects marketers with hundreds of millions of travelers across the Expedia Group brands. With our exclusive access to 70+ petabytes of Expedia Group traveler search and booking data, we offer advertisers actionable insights, sophisticated targeting, and full-funnel results reporting. Our suite of solutions includes display, sponsored listings, audience extension, co-op campaigns, and custom creative campaigns – all designed for our branded sites globally to add value to our travel shoppers and deliver on the objectives of our advertising partners. We bring more than 20 years of travel and media experience to help our advertising partners inspire, engage, and convert travelers for meaningful results.

For more information, visit www.advertising.expedia.com.