

2023 | Q1

# Traveler Insights Report



# New year, new outlook

In our last quarterly [Traveler Insights Report](#), we saw reassuring signs of enduring enthusiasm for travel amidst growing economic headwinds. Thanks to continued pent-up travel demand and larger household savings, among other factors, our industry is well positioned to withstand any concerns and outside factors.

Our research and data continue to point to traveler resilience as we venture through the first quarter of 2023. As usual, we look back to look ahead — and based on Expedia Group first-party data from Q4 2022, we saw search volume globally increase by 10% year-over-year (YoY), driven by strong performance in Asia Pacific (APAC). APAC is an area we will be watching, as the long-awaited easing of travel restrictions — especially in China, Hong Kong, Japan, and Taiwan — resulted in early search volumes increases in Q4.

Traveler confidence in general is also increasing, as people began planning earlier for 2023. During the last quarter of 2022, 35% of overall searches were for travel in 2023 — a 55% increase YoY.

Our quarterly Traveler Insights Reports highlight the shifting traveler intent and demand we see based on 70 petabytes of our first-party data from hundreds of millions visiting our sites around the world to dream about, search, consider, and book all types of travel, including stays, flights, cars, packages, activities, and more. The insights in these reports, which include our latest custom research, are intended to inform our partners of all types to better understand and reach today's travelers.



**MONYA**

Mandich

Global Vice President  
Expedia Group

# Search volumes increase YoY

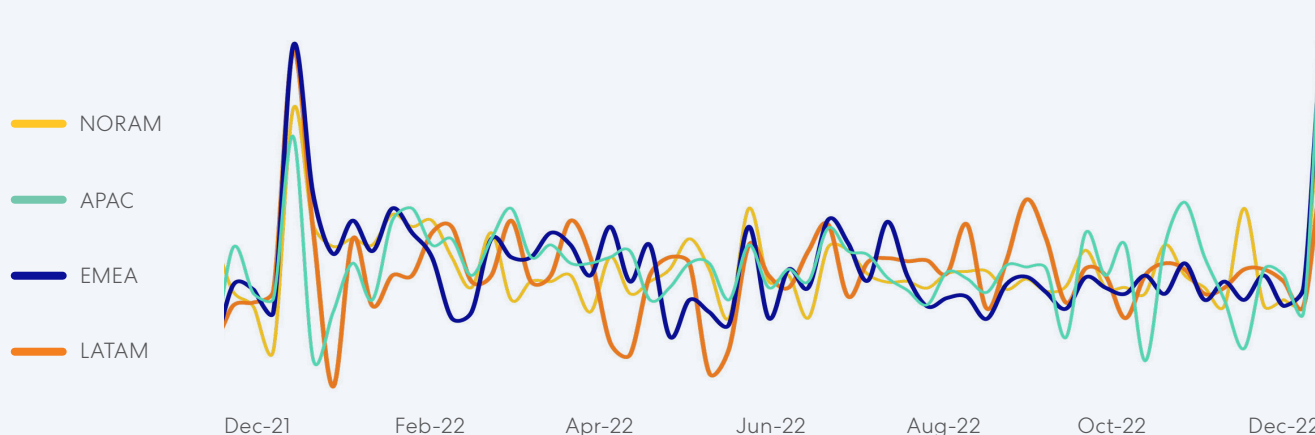
Travel search volume increased 10% YoY on our websites in Q4 2022, with APAC search volumes up more than 50% YoY, signaling positive responses to travel restrictions easing in various countries, including China, Hong Kong, Japan, South Korea, Taiwan, and Thailand.

Globally, the week of October 3 saw strong week-over-week (WoW) search volume increases across both domestic and international searches, corresponding with easing travel restrictions in Canada, South Korea, and Thailand, among other destinations. As is often seen at the end of the year, during the week of December 26, WoW search volume globally was up



**Q4 | 2022**

**Destinations super-regions | WoW search % change**



Source: Expedia Group data, Q4 2021 - Q4 2022

**During the week of December 26, WoW search volume globally was up by 30%, led by Latin America (LATAM) and EMEA.**

by 30%, led by Latin America (LATAM) and Europe, the Middle East, and Africa (EMEA), signaling a return to seasonality.

### **Domestic search volume**

Domestic search performance fluctuated throughout Q4, with the strongest WoW growth during the weeks of October 3 and December 26, when domestic search volumes globally were up by nearly 35%.

### **International search volume**

During the week of October 17, international searches from travelers in LATAM were up 10% WoW. Among North America (NORAM) travelers, international search volumes were up during the weeks of November 28 and December 26, perhaps bolstered by popular holiday sales and promotions.



# Travelers plan ahead for 2023

While most travelers are planning and searching for trips in the short term, share for longer search windows increased during Q4 2022, as travelers looked ahead to 2023. Globally, the 180+ day search window saw the strongest growth, with a 20% increase in search share quarter-over-quarter (QoQ) driven by 60% QoQ growth in EMEA.

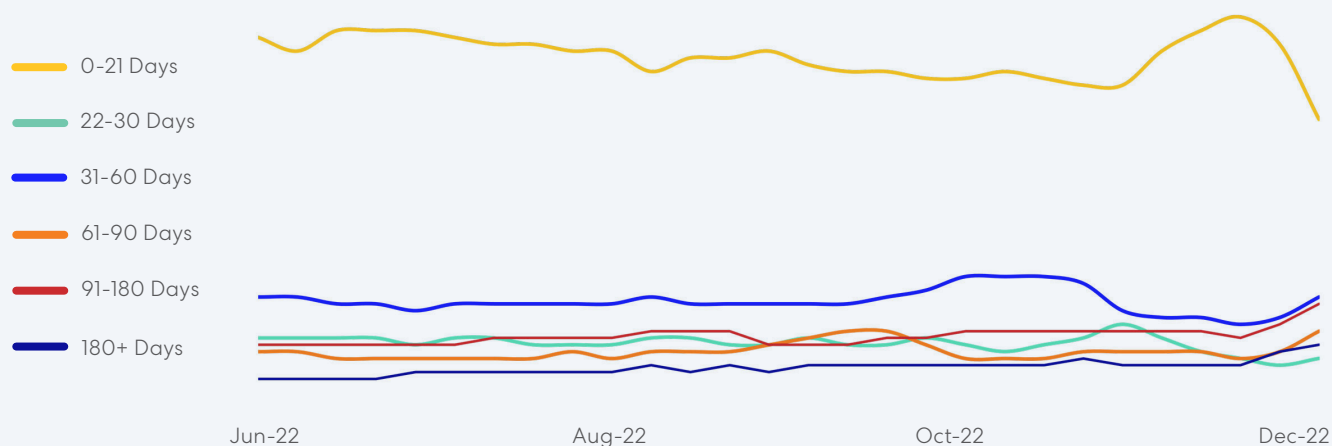
Search share for the 61- to 90-day window was up nearly 15% globally, with double-digit growth in APAC and NORAM. The 31- to 60-day window was up 5% QoQ, also led by growth in APAC and NORAM.

LATAM travelers are still planning in the short term, with the strongest growth in the 0- to 60-day search windows, up 5% QoQ.



**2021-2022**

**Global traveler search windows | WoW % Change**



Source: Expedia Group data, Q2 2022-Q4 2022



## Globally, the 180+ day search window saw the strongest QoQ growth, with a 20% increase in search share.

Following a Q3 2022 trend, travelers continued planning for 2023 travel during Q4, more so than the prior year. 35% of searches in Q4 2022 were for travel in 2023, representing a 55% increase YoY, compared to Q4 2021 searches for 2022. Furthermore, during the last week of December 2022, searches for the 60+ day window increased 20% WoW.

### Last-minute holiday searches

During the month of December, searches in the 0- to 21-day window increased more than 10% month-over-month (MoM). This suggests an increase in last-minute holiday

travel demand or last-minute searches, possibly due to weather and airline challenges in NORAM, which impacted tens of thousands of flights during the last two weeks of December and into the new year.

### Domestic search window

As with recent quarters, the majority of global domestic searches fell within the 0- to 30-day window. However, global domestic search share for the 180+ day window increased by nearly 35% QoQ, driven by growth in EMEA and NORAM.

APAC domestic search share in the 31- to 90-day window increased 10% QoQ, while LATAM saw the strongest growth in search share in the 0- to 21-day and 31- to 60-day search windows.

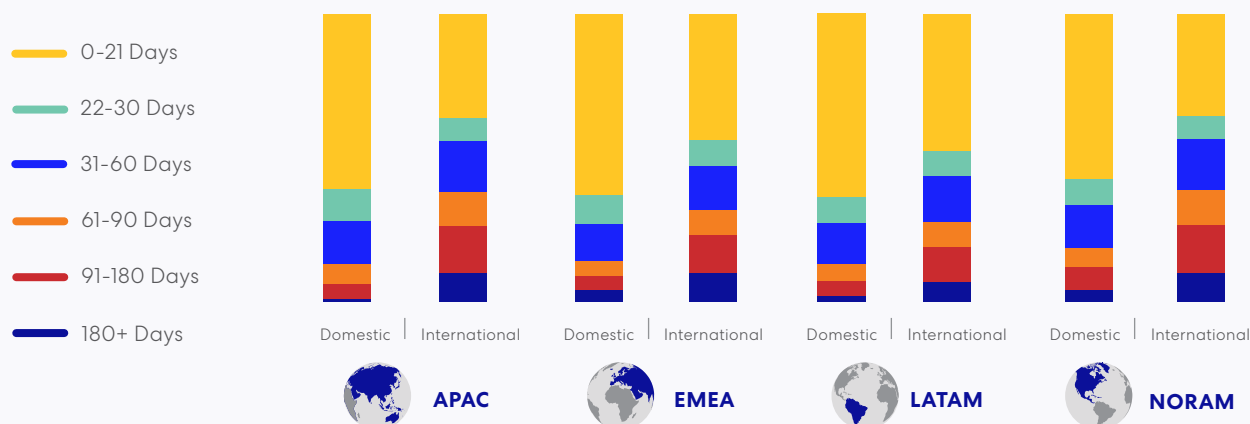
Looking at pre-pandemic search window trends, during Q4 2022, domestic search share in the 61- to 90-day window increased nearly 20% compared to Q4 2019, while the 22- to 30-day window saw a 10% increase.





Q4 | 2022

Super region search window domestic vs. international



Source: Expedia Group data, Q4 2022

### International search window

Globally, the share of travelers searching for international destinations in the 61- to 90-day and 180+ day windows increased by 10% QoQ. In EMEA, international searches in the 180+ day window increased by nearly 45% QoQ, while remaining flat in other regions. Further illustrating the shift to longer-term planning, EMEA international search share for the 91- to 180-day window increased by 20%.

International search share growth in the 61- to 90-day window grew by 30% in APAC and 20% in NORAM during Q4, while the 31- to 60-day window grew by 25% in APAC and more than 10% in NORAM. In the LATAM region, the strongest international search share growth occurred in the 22- to 30-day window, up more than 10% QoQ.



# Beach & city destinations continue to shine

Easing travel restrictions in APAC, holiday travel, and the appeal of warm weather destinations all influenced the global top 10 list of booked destinations during Q4. Across the super regions, New York, Las Vegas, and London held on to the top spots, Orlando and Cancun moved up in the rankings, and Miami overtook Boston for the No. 10 position. Tokyo was a newcomer to the list at No. 7.

The shift to warm weather destinations was also a trend in the previous year — Q4 2021 — as travelers likely started planning their warm weather escapes during peak winter months in the Northern Hemisphere. Destinations like Boston and Denver dropped from the global top 10 list and were replaced by Miami and Dubai; similarly, Cancun and Honolulu moved up the rankings.



## Top 10 booked destinations | Q4 2022

\*New top 10 destination



### For APAC travelers

Tokyo  
Seoul  
Osaka\*  
Singapore  
Bangkok  
London  
Sydney  
Paris  
Melbourne  
Taipei\*



### For EMEA travelers

London  
New York  
Paris  
Dubai  
Istanbul  
Amsterdam  
Copenhagen  
Barcelona  
Stockholm  
Rome\*



### For LATAM travelers

Mexico City  
Cancun  
New York  
Sao Paulo  
Rio de Janeiro  
Paris  
Madrid  
Las Vegas  
Orlando  
Playa del Carmen\*



### For NORAM travelers

New York  
Las Vegas  
Orlando  
Cancun  
Los Angeles  
Chicago  
Miami  
London  
Honolulu\*  
San Francisco

Source: Expedia Group data, Q4 2022





### Trending countries

Similar to the global trend, with cold weather, snow, and rain across much of the country during Q4, “winter sun” destinations saw increased search interest from travelers in the United States. Between October 2022 and December 2022, searches from the US for Puerto Rico and the Bahamas increased by 35% and 20%, respectively. Other trending search destinations for US travelers during Q4 included Costa Rica, the Dominican Republic, Jamaica, and Mexico.

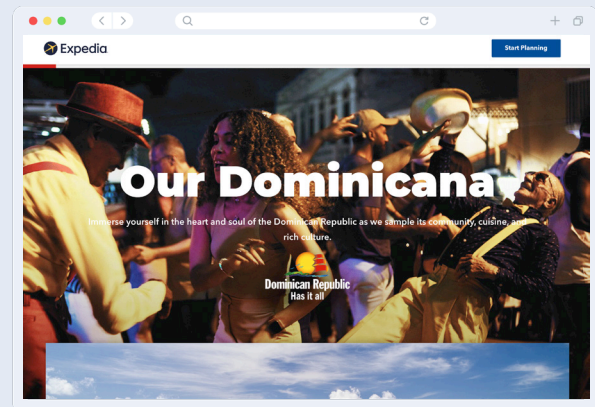
Elsewhere, searches from Canada to Mexico were up 15% and searches from South Korea to Japan were up 40%, as Japan moved up to the No. 25 position from No. 35.

### Vacation rental destination trends

While domestic travel continues to drive the vacation rental category, some new destinations outside of travelers’ home

#### SPOTLIGHT

## Our Dominicana



The Dominican Republic, one of the trending countries for Q4 2022, is well known for its stunning beaches and all-inclusive resorts, but the destination has so much more, including culture, cuisine, and adventure. The Dominican Republic Ministry of Tourism recently worked with [Expedia Group Media Solutions](#) to develop “Our Dominicana,” an [innovative campaign](#) that showcased the destination from a local perspective. In the campaign, series of videos immersed potential visitors in all the country has to offer, from diving amongst the coral to experiencing indigenous cooking using ancient techniques. It also included a dedicated microsite incorporating planning and booking functionality, including hotel offers in the featured destinations. The campaign saw a return on advertising spend of 196:1 and increased passenger demand by 15% and room night demand by over 25% compared to 2019 levels.

regions began appearing in Q4. For APAC travelers, Paris nabbed the No. 5 spot as a newcomer on the list of top booked Vrbo destinations — joining London, another long-haul destination that also appeared in Q3 — while other new destinations included Wanaka, New Zealand and Culburra Beach, Australia. Arraial do Cabo, Brazil, was the only newly booked destination on Vrbo to make the list for LATAM travelers in Q4.

With winter in full swing in the Northern Hemisphere, EMEA travelers turned to popular ski resort areas in France, including two new top 10 destinations, Bourg-Saint-Maurice and Morzine. In contrast, travelers from NORAM opted for warm weather getaways. Naples and Cape Coral, Florida, and Scottsdale, Arizona were new additions to the top 10 list in Q4, along with Gatlinburg, Tennessee, in the Great Smoky Mountains in the US.



### Top 10 Vrbo-booked destinations | Q4 2022

\*New Top 10 destination



#### For APAC travelers

Surfers Paradise, Australia  
Cowes, Australia  
Dunsborough, Australia  
Queenstown, New Zealand  
Paris, France\*  
Rye, Australia  
London, England  
Wanaka, New Zealand\*  
Culburra Beach, Australia\*  
Port Macquarie, Australia



#### For EMEA travelers

Paris, France  
Kissimmee, Florida  
Albufeira, Portugal  
Bourg-Saint-Maurice, France\*  
London, England  
Gérardmer, France  
Playa Blanca, Spain  
Morzine, France\*  
Cuxhaven, Germany  
Davenport, Florida



#### For LATAM travelers

Guarujá, Brazil  
Ubatuba, Brazil  
Praia Grande, Brazil  
Cabo Frio, Brazil  
Bertioga, Brazil  
Rio de Janeiro, Brazil  
Kissimmee, Florida  
São Sebastião, Brazil  
Arraial do Cabo, Brazil\*  
Florianópolis, Brazil\*



#### For NORAM travelers

Kissimmee, Florida  
Panama City Beach, Florida  
Sevierville, Tennessee  
Lahaina, Hawaii  
Kihei, Hawaii  
Naples, Florida\*  
Gulf Shores, Alabama  
Gatlinburg, Tennessee\*  
Cape Coral, Florida\*  
Scottsdale, Arizona\*

Source: Expedia Group data, Q4 2022

# The rise of the flexcation

As flexible work options remain for many companies around the world, “blended” or “flexcation” travel — a longer stay that mixes remote work and play — is on the rise, and the opportunity for those in the travel industry is huge. Insights from our [Traveler Value Index 2023](#) study back up this theme, showing that 28% of consumers are looking to take a flexcation trip in the next 12 months.

Other industry research supports this trend. For example, [Skift’s Megatrends for 2023](#) include the [Blended Traveler](#), and according to Future Market Insights and the Global Business Travel Association (GBTA), the blended travel market in 2022 had a value of \$497.5 billion. This is expected to grow as the work-from-anywhere trend becomes more ubiquitous

Our flight data shows that, on average, travelers are taking longer trips YoY, which can be supported by the ability to work remotely. This is particularly true for NORAM travelers, whose average length of stay in



**Usage of the Expedia.com and Hotels.com**

**“business-friendly” accommodation filter in Q4 2022**

**increased by triple digits year-over-year.**



Q4 2022 was 10% longer than in Q4 2021. In APAC, travelers' average length of stay was nearly 5% longer YoY. During December, these YoY increases in average length of stay were even greater, with a 20% increase for NORAM travelers and a nearly 30% increase for APAC travelers.

Travelers have also been using the "business-friendly" filter on Expedia.com and Hotels.com significantly more to find accommodations with amenities like Wi-Fi and breakfast. Q4 data shows a triple-digit YoY increase in usage of the business-friendly filter, furthering this trend.

**SPOTLIGHT**

## Promoting work-from-home amenities with Vrbo

In response to the growing flexcation trend, long-time Vrbo partner Heather Barbieri started promoting her properties not just as destination rentals, but as [destination homes](#).

With a primary target of busy professionals looking for a place to both work remotely and satisfy the need for a getaway, she updated her listings accordingly. She highlighted her properties as ideal work AND play destinations with loads of work-friendly amenities, including priorities for flexcation travelers: strong Wi-Fi bandwidth, quiet areas with desk spaces, play spaces for kids, discounts for longer stays, long-lead calendar availability, and more. These listing adjustments helped attract remote-work professionals and flexcation travelers, improving rental volume.

Those looking to attract flexcation family travelers should also ensure listings highlight that pets and children are welcome, and spotlight family-friendly accommodations and amenities, like private pools, spacious kitchen and dining areas, entertainment and games, nearby parks and recreation areas, and more.



# Price and value rising in importance

In the report last quarter, we highlighted the anticipated impacts of inflation and the re-emergence of more price-sensitive travel shoppers, based on industry insights and findings from the [Traveler Value Index 2023](#).

Demand for travel is expected to remain strong due to increasing plans for flexcations and the return of business travel, consumer savings, and the ongoing prioritization of travel. That said, while overall intentions to travel are high, traveler spending behaviors are expected to evolve, pointing to the growing importance of price and value.

According to the 2023 research, low pricing is a leading factor when booking all elements



What do consumers value most from travel loyalty programs they are a member of?

52%



Special discounted pricing

46%



Collecting points and redeeming them for future purchases

42%



Complementary upgrades, add-ons, or other perks

34%



Exclusive access to amenities and services

32%



Receiving an overall better experience

26%



Prioritized customer service

2%



None of the above

Source: Expedia Group, Traveler Value Index 2023



of a trip for nearly one out of every three travelers. Putting the emphasis on value will continue to be important, not only in pricing but also in demonstrating and delivering offers, perks, and exceptional traveler experiences — especially for loyal customers.

With price sensitivity top of mind for travelers, they may turn to loyalty programs to secure discounted prices. Our research shows that special discounted pricing is the top aspect of loyalty programs consumers value, meaning that loyalty may become more important to travelers in the current climate. Data from Expedia.com and Hotels.com also shows that loyalty members are

valuable — on average, they book 2.5x more frequently and spend 2.5x more than non-members.

Additionally, properties that offer loyalty benefits see stronger results. Expedia.com and Hotels.com data shows properties offering loyalty benefits see 3.4x faster room growth and 3x faster revenue growth.

With travelers looking for great deals, special offers, and discounted pricing, including those available through loyalty programs, travel brands can incorporate promotions to stand out from the competition and drive demand.

#### SPOTLIGHT

## K+K Hotel Central

Located in Prague's popular Old Town, the upscale K+K Hotel Central wanted to spotlight its property and amenities and stand out from competitor hotels in the surrounding area. Armed with data and insights from Partner Central, the property evaluated ways to [target offers to travelers](#) from different locations. For example, package promotions, which allow guests to bundle their hotel, flights, and/or car rentals at a discount, helped them reach international guests and large groups and grow the hotel's packages business by more than 140%. To further increase bookings, they offered exclusive Members Only Deals

to the more than 168 million travelers in our loyalty programs and leveraged TravelAds [Sponsored Listings](#) from Expedia Group Media Solutions to connect with the right audience and improve their visibility in search results. The promotions and tools helped K+K Hotel Central attract high-value guests, boost occupancy rates, and grow their revenue by 45% over 12 months.

# Looking forward

## Mid-year getaways

In Q4 2022, we saw a YoY increase of nearly 70% in traveler searches for mid-year 2023 travel (June to September), indicating both strong traveler intent and longer-lead planning. City break destinations like London, Chicago, San Francisco, and Boston appeared on the global top 10 list of booked destinations during Q3 2022, and may be indicators of destination trends for Q3 2023.

[Expedia Group's 2023 traveler trends](#) — looking across Expedia.com, Hotels.com, and Vrbo — also highlighted the return of big cities and culture capitals. As art, music, and culture festivities return in 2023, cities like Dublin, New York, Tokyo, Sydney, and more are expected to rise in popularity.

These insights, in addition to the lengthening search windows we saw in Q4 2022, indicate that it's a good time to begin showcasing and promoting your offerings for the mid-year travel season and cultural events.

## Experiences are (still) everything

Activities and experiences were some of the top priorities and decision drivers for travelers pre-pandemic, and their importance is on the rise again. As highlighted in the recent [2023 Travel Trends](#) report from Expedia.com, Vrbo, and Hotels.com, this year, people are branching out to unexpected trends in what can be





considered the "no normal." From culinary-first travel to wellness retreats and off-the-beaten-path adventures, experiences are influencing trip decisions.

But for many travelers, especially those experiencing post-holiday burnout, this can also mean experiencing nothing, or a "nothing-cation," where warm weather, relaxing, and recharging are the main [attractions](#). A [recent survey](#) found that 96% of US travelers want to spend part of their next vacation doing nothing, and 54% of UK travelers connect doing nothing on a holiday with relaxation.

### Mobile & app growth

Although [global smartphone penetration rates](#) have been steady over the past few years, mobile searches and bookings are on the rise. Comparing 2022 to 2019 data from our websites, traveler booking share on mobile devices — phone and tablet — was up 15%, led by strong growth in mobile phone booking share.

As mobile search and booking becomes more ubiquitous, we're also seeing a share shift between mobile web and mobile app searches. Mobile app search share in 2022 increased 30% compared to 2019, illustrating the importance of reaching potential travelers across devices, channels, and platforms.

expedia group™