Consumer Travel Insights by STR

Traveller Journey Overview Report

Background

The global travel industry continues to grow and transform as destinations expand and new technologies facilitate different approaches to travel. We have already seen impressive growth in tourism arrivals in 2018 with a 6% increase between January and June, according to the World Tourism Organisation. That growth path, therefore, looks set to eclipse the 5% projection made for 2018 by the UNWTO.

Tourism across the globe continues to be one of the fastest growing industries—in the U.K. alone, the sector now supports more than one in 10 jobs, according to VisitBritain. Tourism plays a vital role in the global economy and will be a key export and driver of inward investment for many developed and developing countries in 2019 and beyond. With this in mind, it is more important than ever for businesses, governments and other organisations to understand the travellers who make it all possible.

In this Consumer Travel Insight series, STR takes a deep dive into the traveller journey. Based on independent primary research conducted in 2018, we examined each stage of this journey—planning, booking, budgeting, and how technology and travel brands interact with travelling. This report series provides actionable intelligence to inform and drive tourism planning and decision making.

The research was conducted by STR's Tourism Consumer Insights team—our tourism and hospitality researchers and analysts, based in Edinburgh, Scotland. An online survey was conducted in October 2018 using STR's Traveller Panel—a unique community of approximately 28,000 engaged travellers from across the globe. Overall, 2,228 panellists took part in the research and were asked about their behaviour and experiences regarding their most recent international holiday. This covered how they interacted with certain travel brands and technology, how they planned and booked their holiday, and how the traveller's money was spent in a destination.

This report provides a high-level look at the vast insights gained from our study. As always, we welcome any queries or comments. We look forward to discussing the data with you in more detail and helping you with your data and decision making needs.

Traveller Profile

A total of 2,228 travellers who had been on an international leisure trip in the past 12 months were surveyed and reflected broad demographics, such as likelihood to travel and a range of holiday types.

45% 55%

21%
Solo traveller

41%
Couples

20%
Families

18%
Large groups

4% 16-24

15% 25-34

17% 35-44

25% 45-54

23% 55-64

17% 65+

In this report series, travellers between the ages of 16-34 are grouped together to form millennial travellers.

Average length of holiday: 13 nights

9%	30%	35%	26%
1-3 Nights	4-7 Nights	8-14 Nights	15+ Nights

38% of holidays involved visiting multiple international destinations in the same trip

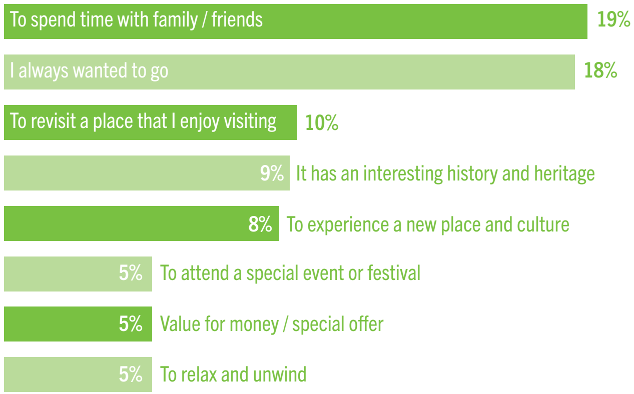
Frequent travellers (three or more international holidays per year): 29%

Infrequent travellers (one to two international holidays per year): 71%

Travel Planning and Motivations

Understanding travellers' thoughts before they have even decided to journey to a destination represents an important part of securing visitors. The information here can help businesses and organisations understand what factors travellers are considering as they decide on a destination and what they will do once they have arrived.

Most important reason for choosing a destination



We asked travellers what single reason was most important for their choice of destination, alongside more general motivations. The results highlight the importance of reputation in securing visitors for a destination, with destinations that people had always wanted to visit being the core reason for almost one in five travellers.

The importance of a positive previous experience in a destination cannot be overstated, with 10% of travellers saying it was the most significant reason for visiting. Ensuring that travellers have a positive experience should be an essential part of a destination's strategy to increase visitor numbers.

Special events and festivals offer an important draw for all types of destinations, with 5% of travellers citing them as their most important reason for travelling. This includes destinations that might not have the historical or cultural reputation of other locations.

When planning their holiday, travel makers keep core activities in mind, with culture and sightseeing at the top of their list. During the planning process, millennial travellers placed more importance on the need for rest and relaxation (3.95) than on ease of travel (3.81). This is in contrast to travellers over the age of 55 who ranked ease of travel at 4.08. This suggests that younger travellers are more willing to take on difficult journeys in order to realise their holiday ambitions.

Most important factors for planning a holiday (out of 5)

4.55
Culture and sightseeing

3.79
Food and drink

3.99
Ease of travel

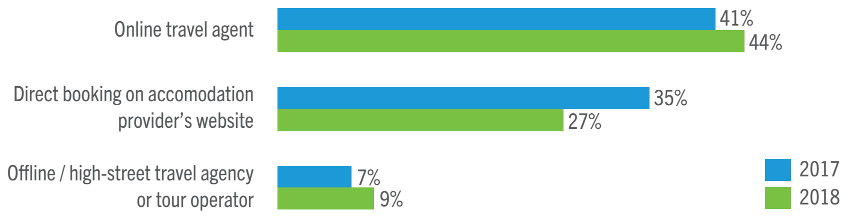
2.48
Shopping

3.88
Rest and relaxation

Booking Trends

All overnight tourism requires accommodation in some form. Even amongst those who travelled in order to spend time with friends and family, 70% stayed in paid for accommodation. Our 2017 research highlighted the growing dominance of Online Travel Agents as the main form of accommodation bookings alongside the rise of Airbnb and other home sharing platforms. These companies continue to impact the revenue streams of more traditional accommodation channels.

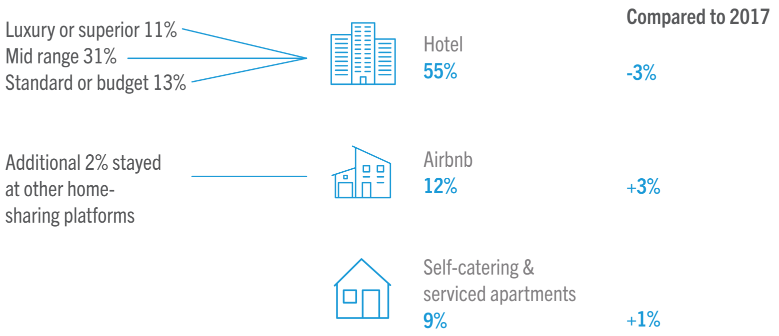
Top 3 booking methods



In last year's report, we explored what methods travellers were using to book their accommodations. This year's figures show the continued growth of OTAs coming at the expense of direct bookings on accommodation websites. This trend was most apparent with millennial travellers, where 60% booked through an OTA in 2018. The rise in offline-high-street and tour-operator bookings was driven mostly by travellers over the age of 55, with 13% booking by this method. Length of holiday was another indicator of how people booked, with 50% of one-to-seven-night breaks being booked through an OTA, compared to 39% of stays of eight nights or more.

We asked travellers where they stayed on their most recent holiday, and the top answers revealed interesting changes from the previous year. Hotels, while still by far the most used form of accommodation, saw their share of travellers dip 3% from last year. Airbnb's use grew by the same amount to 12% of all travellers. Airbnb was more popular with infrequent travellers (those who had only travelled once or twice in the past 12 months)—it was used by 13% of this group compared with 10% of more frequent travellers. This may reflect that infrequent travellers are more price sensitive and therefore seek the best value for money in their accommodation choice.

Main Accommodation choices of 2018



Activities and Motivations

Even on the most relaxed beach holiday, travellers will always take part in activities. From visiting attractions to trying local food, holiday travellers will interact with their chosen destination in many different ways. We sought to discover what travellers do in destinations and why they had chosen to spend their time that way.

- 89% Walking around the destination
- 85% Going to restaurants / cafes
- 80% Visiting galleries / museums / attractions
- 77% Shopping
- 69% Visiting parks / gardens
- 58% Guided tour of destination
- 53% Excursion out of the destination
- 50% Going to pubs / bars / clubs
- 26% Attending specific events
- 19% Participating in sports / leisure activity

Travellers engaged in many different activities and attractions, with dining out and shopping leading the way as a core source of expenditure in destinations. There were many variances between travellers of different ages, such as those 55 and older being more likely than average to take guided tours (63%), while millennial travellers were more likely to eat at restaurants (91%). The main differences were between infrequent travellers (those who had been on two or less holidays in the past 12 months) and more frequent travellers, with infrequent travellers more engaged across the board. This may reflect that people who have limited opportunities for getting away on a holiday want to maximise their time and activities.

When asked what factors drove their behaviour while in the destination, travellers indicated that they were primarily motivated by what the destination had to offer. Decisions were made on the range of things to do and the likelihood that these would allow travellers a chance to experience the culture, history and ambiance of the destination. However, many travellers still see price as a major factor in determining how they spend their time.

As highlighted, going to restaurants or cafés is a popular activity for many travellers whilst on holiday. Increasingly, a destination's food and drink options often form a major part of marketing campaigns and travellers' reasons for visiting. Food is an important aspect for millennials as part of their holiday experience. While authenticity is appreciated, visitors of any age and from all origins value hygiene and cleanliness above all.

Most influential factors on behaviour while in the destination

Scores out of 5 (1 = 'Not at all important' & 5 = 'Very important'')

What is important when choosing places to eat out

Scores out of 5 (1 = 'Not at all important' & 5 = 'Very important'')

Conclusions

Our research has uncovered that the tourism journey varies greatly across different traveller segments. However, there are common areas of importance that destinations should focus on if they wish to drive increased visitor numbers.

For more information please email us at infotci@str.com.

Benchmarking your world

It is important for a destination to build an image of itself that inspires travellers to regard the destination as an aspirational location. Using festivals or other special events to help secure a pool of satisfied travellers who want to re-visit can be an effective strategy for lesser-known destinations to grow their tourism industry. Destinations need to bear in mind that flagship cultural and sightseeing attractions will be at the top of travellers' minds when they are planning a holiday. These attractions offer a destination-wide marketing opportunity.

Our analyses of booking trends highlights the continued growth of Online Travel Agencies at the expense of direct booking. There are opportunities for destinations, especially amongst holiday goers on trips longer than a week, to maintain and build on their booking market share. Property sharing platforms also saw continued growth at the expense of hotels. Their market share is primarily driven by infrequent travellers who are searching for the best deals for their limited holiday time.

The findings on holiday activities show that while there is a lot of crossover between age groups, each has its preferred niches. Destinations will need to capitalise on the demographics for which its activities are suited.

Food and drink are a growing part of destination marketing as travellers seek authentic experiences that differ from their normal routine. However, the fundamentals of hygiene and cleanliness are still paramount considerations for the average traveller.