

# US TRAVEL TRENDS 2017

ADOBE DIGITAL INSIGHTS

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# US Consumer Travel Spend Slows for the Summer Season

Online revenue growth by US consumers for summer travel slows to +5.1% (66% lower than last year's growth)

- Travel spending is expected to hit \$98.02B from Memorial Day through Labor Day weekend
- Total spend for 2017 is expected to hit \$297.13B

Expect the major travel holidays to remain unchanged

- July 4 4-day holiday: \$3.68B
- Memorial Day 3-day weekend: \$2.93B
- Labor Day 3-day weekend: \$2.83B



U.S. CONSUMER SUMMER TRAVEL SPEND (BILLIONS)  
SOURCE: ADOBE ANALYTICS

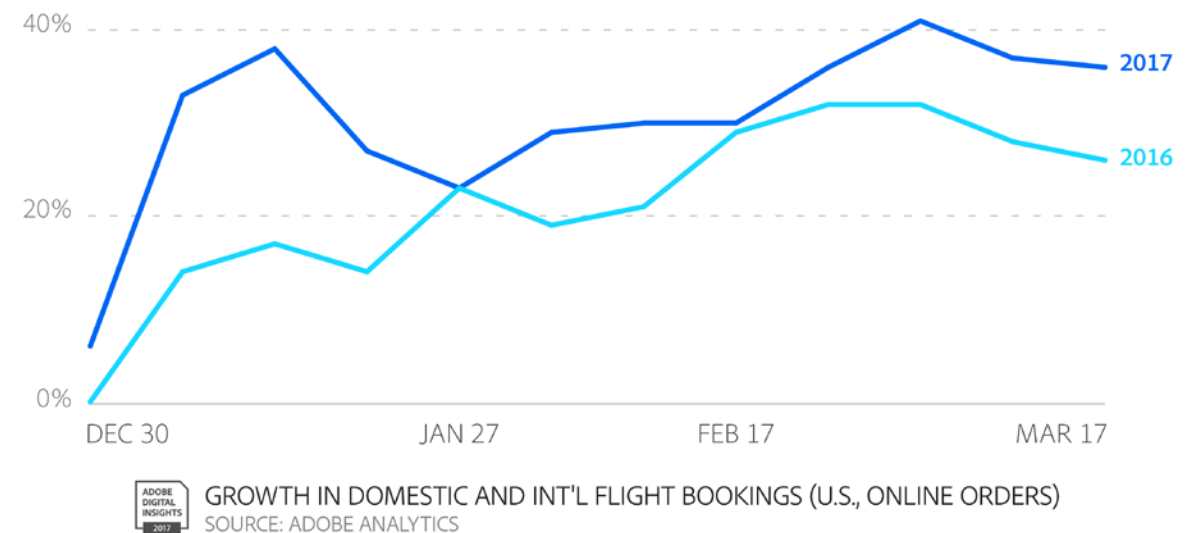
## Despite a Strong Start, Online Flight Bookings Just On Par with Last Year

### Online flight reservation growth started the year strong

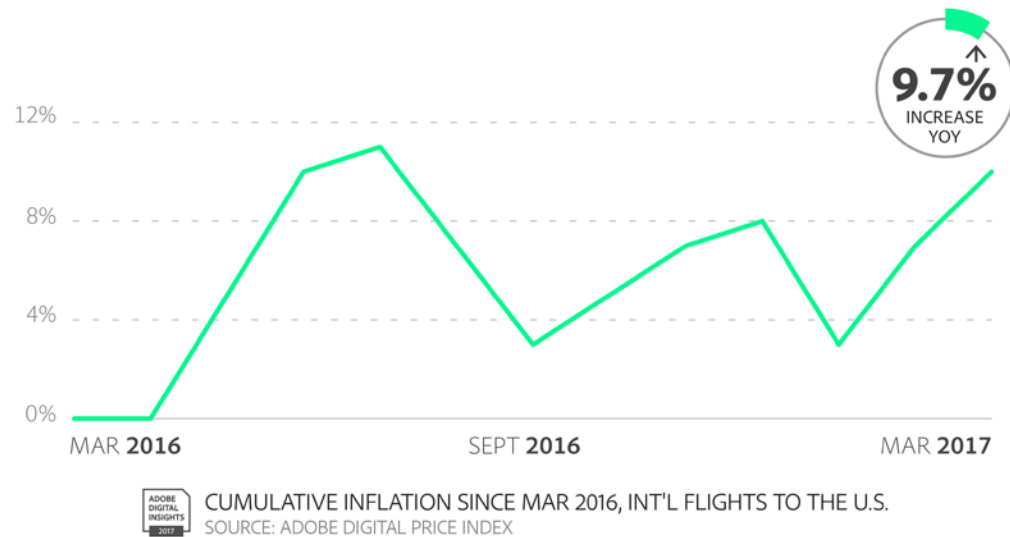
- From the week starting January 6 through January 13, online flight reservations grew by over 20%
- Total online flight reservations has grown by 3.5% in Q1 2017 (vs. 11.2% in Q1 2016)

### Online flight reservations were stagnant the week of January 27 and February 17

- Online flight reservations appear to have stabilized in March

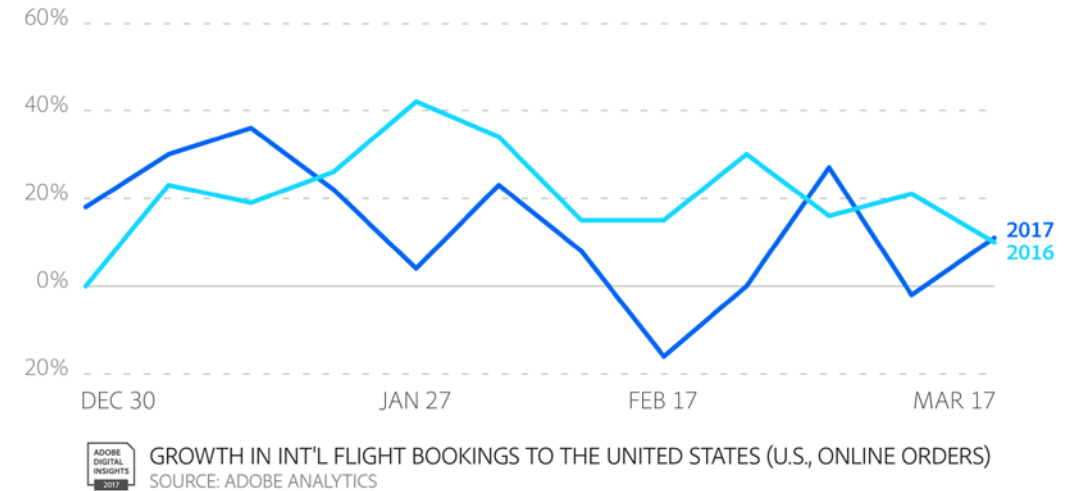


# Less Inbound International Flights Cause a Drag on US Travel Spend



## It's more expensive to come to the United States

- Prices have increased by 9.7% YOY in March 2017 (Source: Adobe DPI)
- In addition, the USD has strengthened by 6.79% from April 1, 2016 – March 31, 2017, weakening the Euro's (€) position



## Flights bookings from int'l destinations to the US have decreased 6% YOY in Q1 2017

- International flight bookings had been slowing but dropped by another 26% during the week that travel restrictions were announced. Since then, they have been swinging up and down much more than last year.

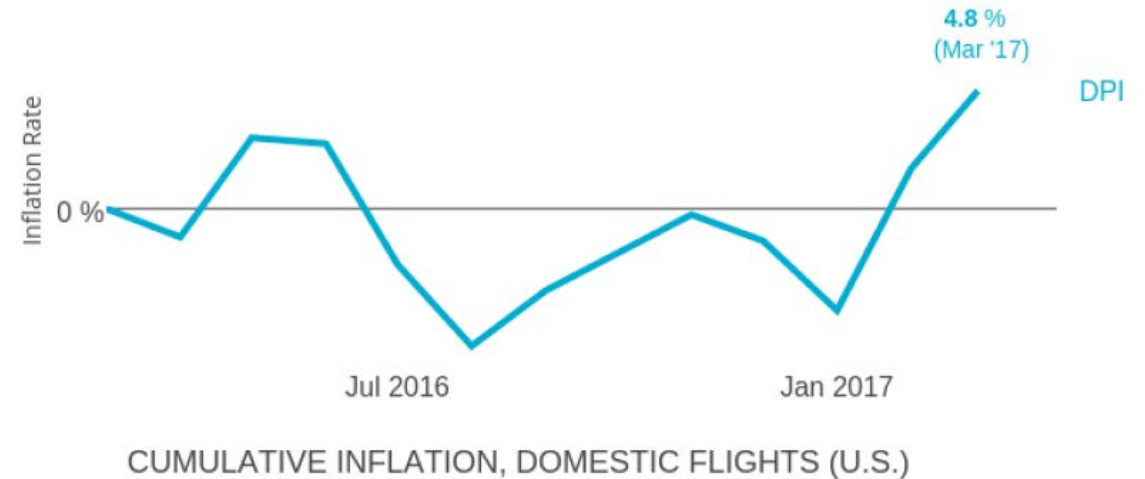
# Revenue for Airlines Will Be Driven By Higher Prices

## Airfare prices for US domestic and US to int'l destinations have increased

- Prices of domestic airfare have increased +4.8% from March 2016 to March 2017
- Prices for international airfare have also increased by +4.7% during the same timeframe
- This is the third straight month of inflation shown by the Adobe Digital Price Index (DPI)

## Airfare bargains can still be bought

- Despite international airfare costs rising by 4.7%, airfares from the US to Europe was lower by -6.2% (from March 2016 to March 2017)



# Hotel Growth Driven by Increased Demand and Competitive Supply

## Domestic hotel prices have increased

- Prices of domestic hotel stays have increased +3.7% from March 2016 to March 2017
- A story of supply and demand: The overall hotel establishment increase has been decreasing since 2014 (Source: IBISWorld)
  - Hotels can charge higher prices as competition for the same rooms increases
- Hotel reservations have grown by 7.8% in Q1 2017 (vs. 18.5% in Q1 2016)

## No noticeable disruption

- No correlations were found for services such as airbnb and VRBO



# The Cruise Industry Sets it Sails on Profit

## Visits to cruise websites at a record high

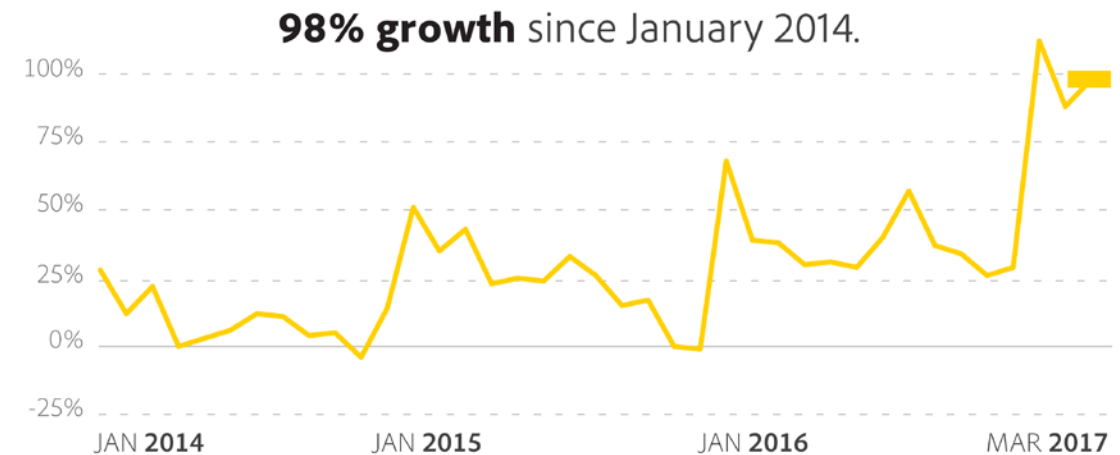
- Visits to cruise websites have grown and almost doubled in the last three years
  - Thirty-two percent (32%) YOY growth in 2017 so far
- The average stock price of major cruise lines has increased by over 13% since the beginning of 2017 (Source: Yahoo Finance)

## The season for cruises grows with each passing year

- Interest in cruises rises an average of 20% in January-March of each year

## Summer cruises already booked

- Most consumers tend to book cruises in January



CRUISE ONLINE VISIT GROWTH SINCE APRIL 2014 (GLOBAL)  
SOURCE: ADOBE ANALYTICS

# Technology, Travel Begin to Disrupt the Car Rental Industry

## Online car rentals are down

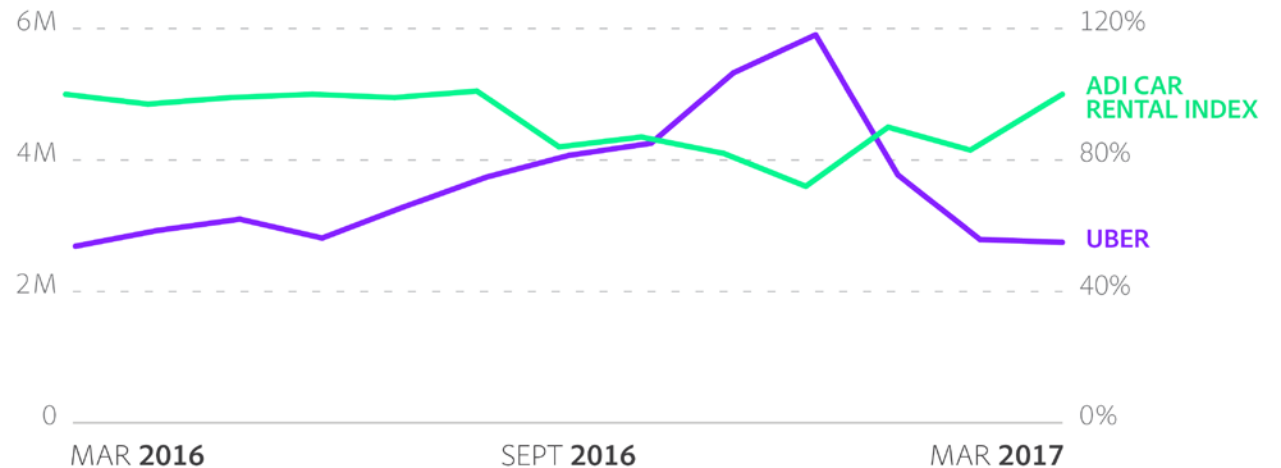
- Online car rentals have decreased by 14% YOY in Q1 2017

## Uber eats into online car reservations

- As Uber's social mentions climbed to 6 million from March 2016 to December 2016, online car rentals declined by -28%
- Online car reservations drop by -2% for every 10% increase in Uber social mentions

## Car rentals impacted as travel trends change

- With International flights to the US decreasing by 6% in Q1 2017 YOY, the need for car rentals diminishes
- As domestic flight prices continue to increase (+4.8% March YOY), larger families may choose to drive vs. fly
- One-stop destinations, such as cruises and all-inclusive resorts, have grown, eliminating the need for a rental car

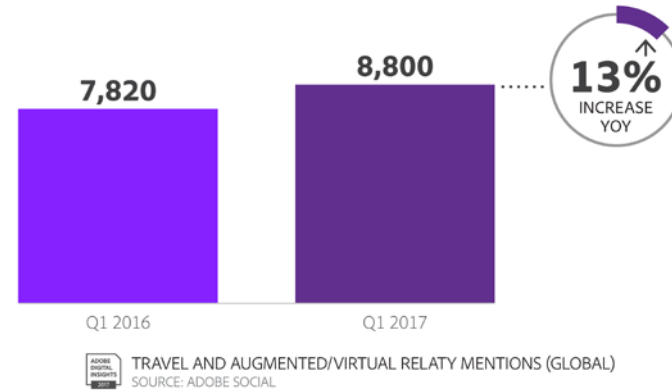


ADI CAR RENTAL BOOKING INDEX VS UBER SOCIAL MENTIONS (GLOBAL, ONLINE ORDERS)  
SOURCE: ADOBE ANALYTICS AND ADOBE SOCIAL

# AR, VR and Wearables Emerge as New Travel Industry Disruptors

## New travel technology is on the rise

- Social mentions for travel and augmented/virtual related has increased 13% YOY (Q1 2017); most experiences catered to VR devices paired with phones
- Eight major hotel chains have experimented with providing a VR experience within the last six months

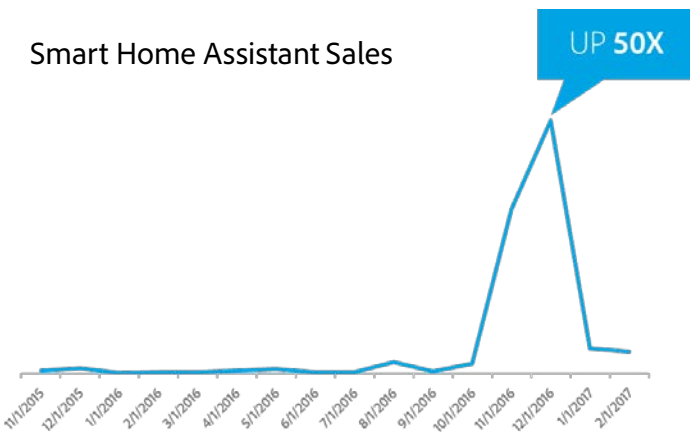
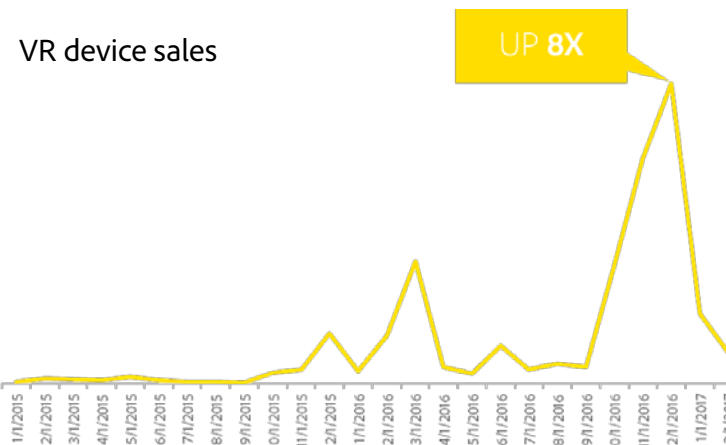


## Consumers are eager to interact with new tech

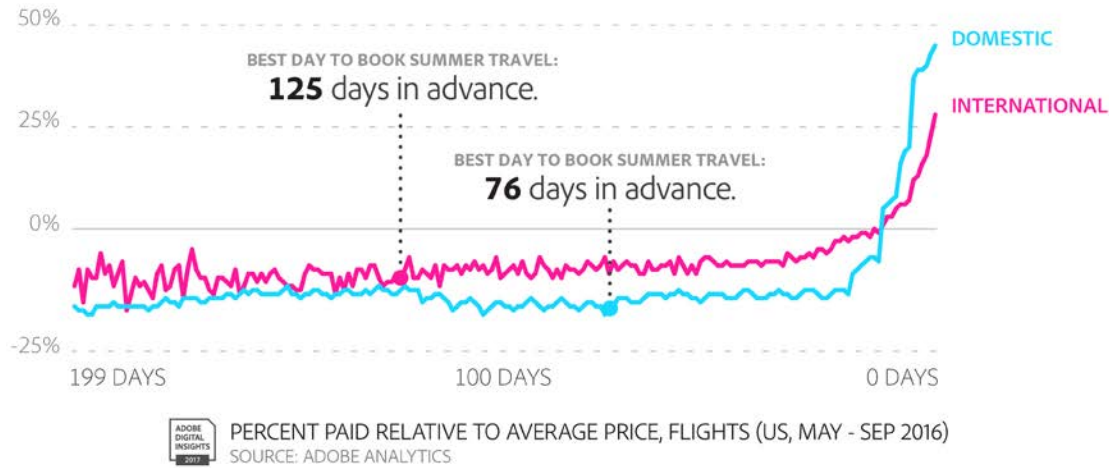
- Travel wearable social mentions have also increased +44% YOY, due to the introduction of the "Ocean Medallion" by Princess Cruises in January 2017

## New Devices Usher in a 4th Wave of Navigation Norms

- VR device sales were up 8x during holiday 2016
- Smart home assistant sales like Amazon's Alexa was up 50x during holiday 2016



# Book in Advance to Get the Best Deal

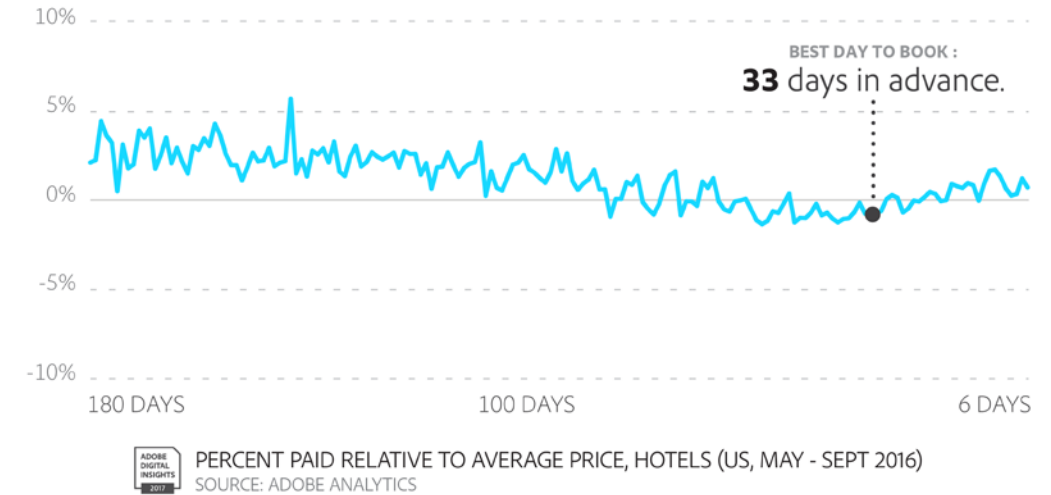


## Best time to buy airfare in the United States varies for domestic and international

- Domestic: 76-112 days in advance
- International: 125 days in advance

## Save even more in the US domestic flights

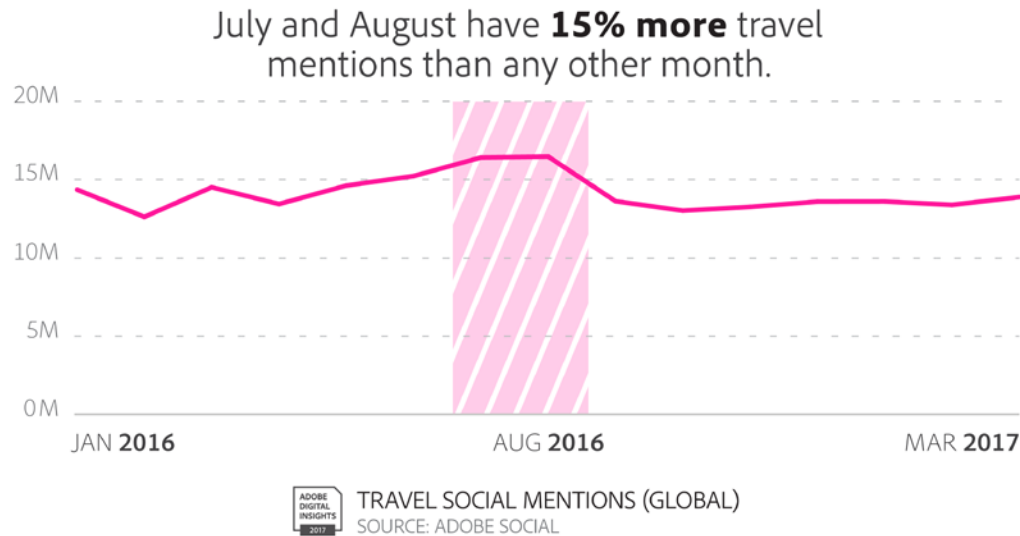
- Pay 11% less when flying on a Saturday, but 11% more on a Monday



## Hotels within the United States

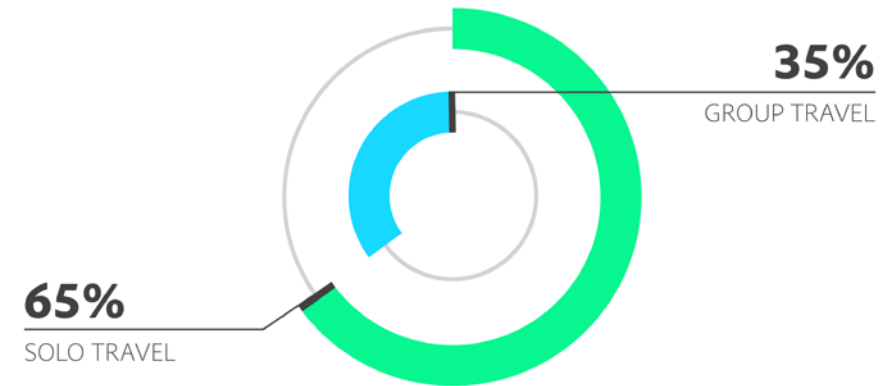
- The prepared traveler: Book 33 days in advance for the best price
- However, cancellation policies in the United States are more lenient. Consumers can book earlier, but cancel if a better deal is found at day 33.

# Fear Not Solo Traveler: Social Media Keeps You Connected



## Travel captivates the social audience

- On average, 14M mentions occur around travel each month
- In terms of size, travel mentions have 1.7x more social mentions than Justin Bieber, Katy Perry and Taylor Swift combined
- Global travel mentions peak during summer: July and August having 15% more travel mentions than any other month during the year.



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SOLO VS GROUP TRAVEL MENTIONS (GLOBAL, JAN 2016 - MAR 2017)  
SOURCE: ADOBE SOCIAL

## Solo travelers primary driver of travel experience

- 2 out of 3 travel mentions in social media are related to solo travel vs group travel

## Social media is an outlet for everyone

- 81% of Millennials post an update to social media at least monthly, compared to 67% of those 36-55.
- Millennials are also more likely to say they post "multiple times per week" (Source: ADI Millennial Survey 2017)

# Find Travel Inspiration from Social Media #wanderlust

## April through June:

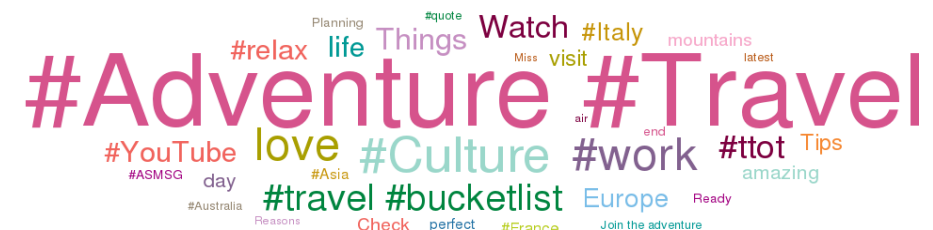
1. Hike the trails in the world
2. Take a road trip

## July through September:

1. Take an adventure trip
2. Cross off an item in your travel #bucketlist
3. Experience different cultures
  - Visit Europe: Italy and France
  - Visit Asia and Australia



Social Mentions from April through June 2016  
Source: Adobe Social



Social Mentions from July through September 2016  
Source: Adobe Social

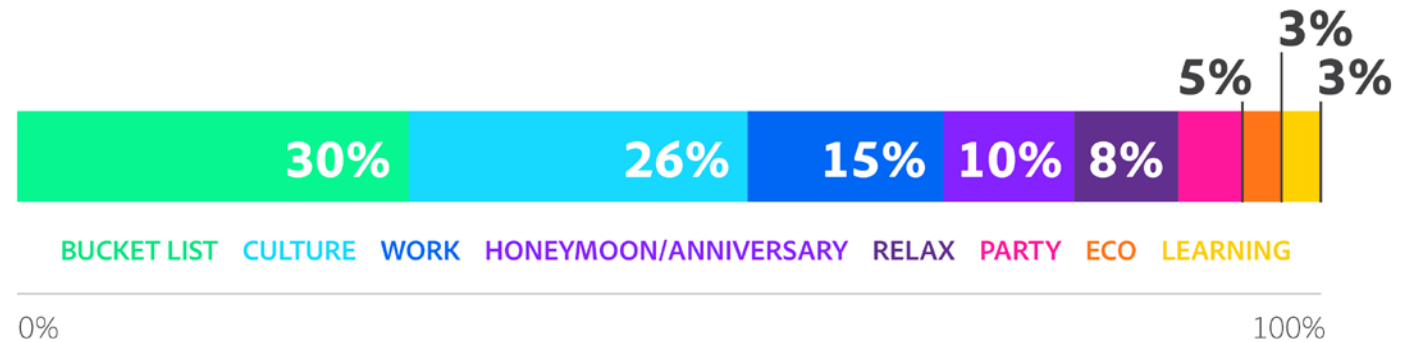
# Experience Drives the Desire to Travel

## Crossing off the bucket list and culture are the top two reasons to travel

- 30% of social mentions relate to crossing off a bucket list
- 26% mention culture as a reason to travel

## Experience is becoming more important, especially as Millennials age up

- Millennials value experiences over things: 70% of Millennials agree they would rather spend on amazing experiences vs. things (57% of those 35+)
- Eighty-six percent of Millennials agree that they “don’t want to miss out on life experiences” (45% Strongly agree, vs 39% of those over 35)



TRAVEL REASONS BY SHARE OF MENTIONS (GLOBAL, JAN 2016 - MAR 2017)  
SOURCE: ADOBE SOCIAL

# Ecotourism Emerging as Popular Driver of Destinations

## 2017 turns towards sustainability

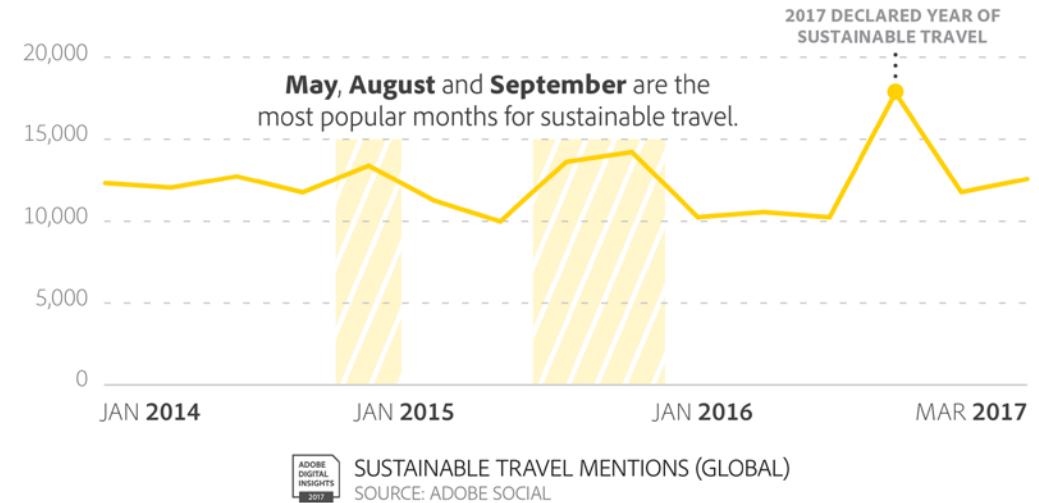
- United Nations World Tourism Org. declared 2017 as the “Year of Sustainable Travel”
- Social mentions on sustainable travel over-indexed by 46% on January 2017

## May, August and September are the most popular months for ecotourism

- Social mentions on sustainable travel over-index by 10% or more during these months

## Go green and get away

- For US travelers, the most popular ecotourism destinations are Costa Rica, Iceland and Galapagos Islands



Source: Adobe Stock

# Beaches are the Creative Essence of Travel



The creative community turns to beaches and nature as a representation of summer vacation

- The most popular image (1) was downloaded 88% more times than second most popular

## Nature categories on the rise

- Adobe Stock images in the nature category grew 145% YOY (from January 2016 to January 2017)
- On average, nature images with positive sentiment grew 2x as much vs images with more negative sentiment

Source: Adobe Stock (Global, March 2016 – February 2017)

# Travel Destinations from San Francisco and New York

## Domestic Destinations from SFO

1. Las Vegas
2. Los Angeles
3. New York
4. San Diego
5. Seattle

## International Destinations from SFO

1. Vancouver, Canada
2. Cancun, Mexico
3. Toronto, Canada

## Domestic Destinations from JFK, LGA, EWR

1. Los Angeles
2. Atlanta
3. Chicago
4. Miami
5. San Francisco

## International Destinations from JFK, LGA, EWR

1. San Juan, Puerto Rico
2. Cancun, Mexico
3. Santo Domingo, Dominican Republic

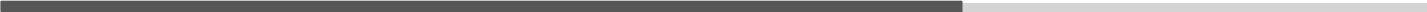


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# Appendix



# Smartphone Browsing Continues to See Momentum

## Consumer’s use of smartphone continues to surge

- Smartphone share of traffic grew by 27% year-over-year in the United States (ADI Best of Best US, 2016) and 56% year-over-year in Europe (ADI Best of Best Europe, 2016)
- The increase in smartphone comes at the expense of tablet and desktop, which have decreased in both the United States and Europe

## Travel conversion continues to improve

- Conversion increased across devices and countries, with smartphone conversion increasing by an average of 34%

Traffic by Device		2015	2016
United States	Smartphone	26.1%	33.1%
Europe	Smartphone	18.6%	29.1%
United States	Desktop	61.1%	55.6%
Europe	Desktop	64.4%	55.5%
United States	Tablet	12.8%	11.3%
Europe	Tablet	17.0%	15.4%

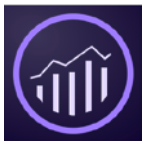
Conversion Rate		2015	2016
United States	Smartphone	0.7%	1.0%
Europe	Smartphone	1.2%	1.5%
United States	Desktop	2.4%	2.8%
Europe	Desktop	3.7%	4.8%

## Most comprehensive and accurate report of its kind in industry

Based on the analysis of aggregated and anonymous data

- 16+ billion visits to major U.S. travel, airline, hotel, car rentals, cruise and online travel booking sites between '15 and March '17
- 9 of 10 largest hotel groups use the Adobe Marketing Cloud (by room numbers, MKG Hospitality Database)
- 7 of 10 largest airlines use the Adobe Marketing Cloud (by revenue and passengers carried)
- Survey: conducted between February 22-26, 2017 with 2,000+ US working consumers ages 18-55; the sample is comprised of roughly half working Millennials (18-35), half working non-Millennials
- 321M social engagements (mentions, page likes, followers) from Jan. 2016 – Mar. 2017 via blogs, Facebook, G+, Reddit, Twitter, Dailymotion, Flickr, Instagram, Tumblr, VK, Disqus, Foursquare, Metacafe, Wordpress, and YouTube
  - Social mentions are publicly available and based on aggregate total

Data from different Adobe Marketing Cloud solutions:



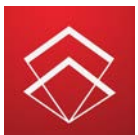
Adobe  
Analytics



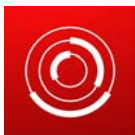
Adobe  
Social



Adobe  
Stock



Adobe  
Analytics Cloud



Adobe  
Marketing Cloud



Adobe  
Creative Cloud

1. **US Summer Travel Season:** Memorial Day weekend through Labor day weekend
2. **Europe Summer Travel Season:** June 21 – September 22, 2017
3. **Int'l Flights:** Flights originating outside of the United States
4. **DPI:** The Adobe Digital Price Index looks at inflation through the lens of digital commerce. It is based on massive aggregate and anonymized data sourced through the Adobe Marketing Cloud.
5. **Origin:** Where the flight originates from
6. **Destination:** Where the flight is headed to
7. **Top Ecotourism Destinations:** Ranking is based on the analysis of flight patterns (Adobe Analytics, 2016) paired with Tripping.com's best ecotourism destinations.