

Industry Report 2022



wtm[®]

LONDON

7-9 November 2022



World Travel Market (WTM) London, the leading global event for the travel industry, looks forward once again to the exciting prospect of coming together amid the superb facilities at ExCeL.

Since the launch event in 1980, travel and tourism professionals from around the globe have met in London to make deals and discuss current issues. While the virtual events of the past few years allowed us to stay in touch, nothing can match the experience of renewing old friendships and making new ones face-to-face.

In 2021, we faced the problems of recovering from the global pandemic and the after-effects of the 2020 economic standstill. Despite this, optimism ruled in an industry that has shaken off major events before, and seemed set to do so again.

Then came 2022, and we now face the new challenges of a conflict in Europe alongside the daunting prospect of a global recession and the rising threat of climate change. However, if travel does nothing else, it reminds us how we are all interconnected, and that solutions can always be found when people come together.

The WTM Industry Report highlights some of the issues we face now, but also the optimism that still rules the sector.

WTM London has surveyed its key stakeholders – exhibitors, senior WTM Buyers’ Club members and visitors – to suggest the key topics of conversations on the exhibition floor during the three days of WTM London 2022 (Monday 7 – Wednesday 9 November). These findings form the backbone for the World Travel Market London 2022 Industry Report.

They cover a range of issues from recruiting staff, to the impact of the rising cost of living, and where holiday-makers are going in 2023. These results are put into context by comparison with a survey of 2,000 UK consumers, revealing how their booking and holidaying habits are changing in response to the same issues.

The World Travel Market London 2022 Industry Report again sets the stage for a very successful three days at WTM London. It’s three days in which we all hope to have some fun while doing some serious business. The industry, as always, will recover, rebuild and renew, facing down any challenges while highlighting the incredible destinations we are all so lucky to have the job of exploring.

Report research background

The World Travel Market London 2022 Industry Report is based on the findings of two independently conducted surveys in September 2022.

The first is a poll of a cross section WTM London stakeholders, comprising exhibitors (tourist boards and private sector travel industry organisations), the industry’s senior buyers from the WTM Buyers’ Club and travel trade visitors. The second piece of research is a survey of 2,000 UK consumers. A full cross-section of the UK public in all regions and income brackets were surveyed, according to Market Research Society’s guidelines.

NB: For ease of reading, some percentage figures from both surveys have been rounded in the report text. Exact figures are in the tables & charts.

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Travel 2023 — grounds for optimism?



01.

The past few years, with the worldwide Covid-19 pandemic followed by conflict in Europe, have been some of the most difficult for the travel industry in recent memory.

During 2021, even as many borders reopened and restrictions were eased, airlines saw a rebound to only 40% of pre-Covid levels in terms of global revenue passenger kilometres (RPK) — the metric measuring kilometres travelled by paying passengers.

However, many in the industry show optimism for 2023, with 53% of those we questioned expecting recovery to 2019 levels point during the year, while only one-in-three expect recovery to push into 2024 or later.

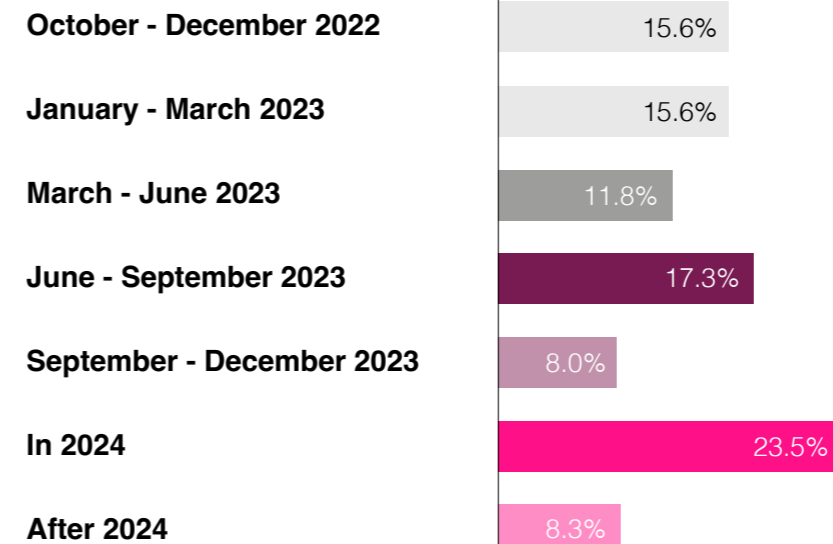
Drilling down into that, businesses were asked if they had recovered from the effects of the pandemic. An encouraging 59% said they had.

53% of those we questioned are expecting recovery to 2019 levels...



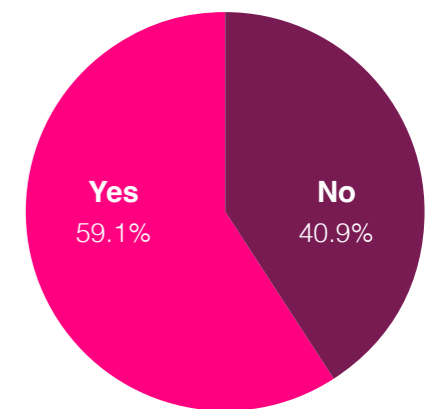
Trade

When do you think the industry will recover to 2019 levels?



Trade

Has your business recovered from the effects of the pandemic?





**Travel 2023
— grounds
for optimism?**

Is Covid-19 behind us?

Most professionals do not see Covid-19 as having a major effect on business for 2023...

Even better news is that most professionals do not see Covid-19 as having a major effect on business for 2023. Among travel decision-makers who took part in the research, only 5.4% said increased Covid-19 rates would most likely affect their business negatively during the year ahead.

While Covid-19 devastated international travel and tourism for more than two years, travel rules began to ease this year. Even those destinations that have been the most cautious, such as Japan and New Zealand, are now lifting restrictions.

Canada removed all Covid-19 entry restrictions from 1 October, although the country's Health Minister Jean-Yves Duclos issued a caution: "If anybody believes the pandemic is over, I invite them to visit a hospital."

New Zealand ended its traffic light system in September and removed testing and vaccination requirements.

Hong Kong lifted compulsory quarantine rules in September, with its Government saying its "goal is to minimise the inconvenience faced by inbound travellers due to quarantine requirements."

Thailand also dropped its requirement for proof of vaccination or test results from 1 October, while across the Atlantic mid-September saw **US** President Joe Biden declare the Covid-19 pandemic was over, although he was criticised by some for being premature.

On 23 September of this year, United Nations World Health Organisation Director-General Tedros Adhanom Ghebreyesus said: "We have never been in a better position to end the pandemic," but added the world is "not there yet but the end is in sight".

Cost rises are a major concern...

Of much more concern among industry professionals were issues such as the cost of living (45%), and the price of petrol (13%), combined with energy prices (10%).

Combined, those factors add up to 68% — more than two-thirds — seeing living and energy costs affecting their business negatively.

The cost-of-living crisis is explored in further detail in Chapter 2.

The war in Ukraine was also seen as an issue by 12%.

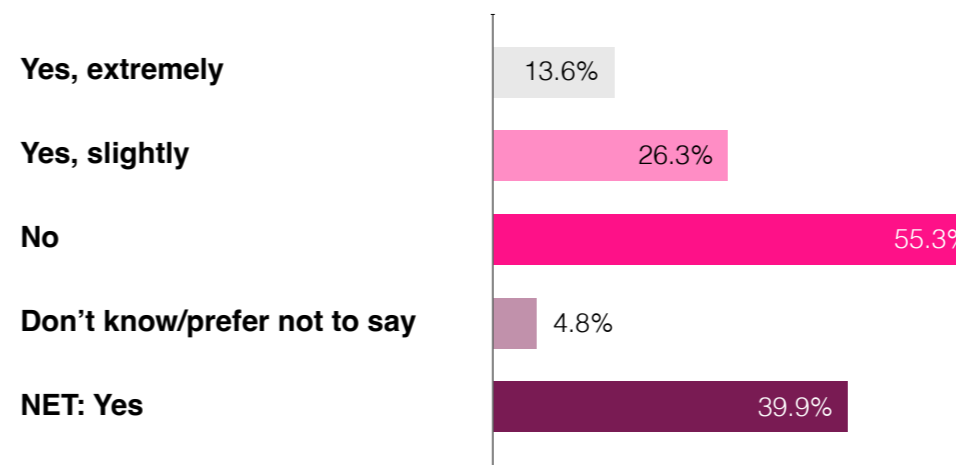
Brexit at 2% was even less of an issue than climate change at 2.3%.

However, for those who target the Ukrainian and Russian outbound markets, the conflict is obviously a major concern.

Asked if the absence of Russian or Ukrainian holiday-makers have affected their businesses, the main response (55%) was no it hasn't. However, a significantly large number (40%) said it has...

Trade

Has the absence of Russian or Ukrainian holidaymakers affected your business?



01.

Travel 2023 — grounds for optimism?

Only one in seven professionals said they have increased their budgets this year...

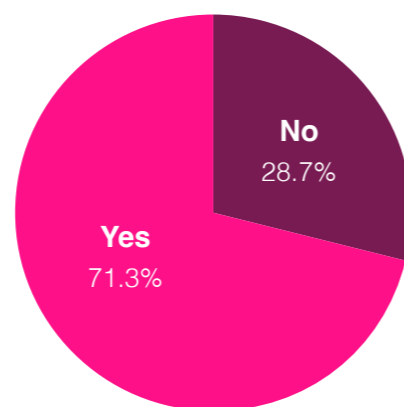
Cut-backs have hit marketing...

The continuing caution of 2022 is seen in our questions on marketing spend. Only one in seven professionals said they have increased their budgets this year, and just under a fifth (19%) said they had “cut back in some areas”.

More worrying was that a small proportion of respondents (4%) said they had stopped marketing altogether. Another, two out of three (60%) said they were “more cautious on spending now than before”.

Trade

Have you changed your approach to marketing post-pandemic?



Trade

How have you changed your approach to marketing post-pandemic?

Response	Percentage
More cautious on spending now than before	59.9%
Cut back in some areas	18.7%
Spending more	14.4%
We've stopped marketing altogether	3.7%
Other, please specify	3.2%

The results varied widely by region, with a quarter of respondents (24%) in the Middle East saying they were

ramping up their marketing budgets, and one in five (21%) in Asia allocating more money to marketing campaigns.

One notable destination investing heavily in tourism is Saudi Arabia, which is spending \$1 trillion on developing its travel and tourism sector during the 2020s.

The Kingdom's Vision 2030 plan will see the creation of thousands of new hotel rooms, eco-friendly wellness and luxury resorts, and port developments to attract cruise ships to the Red Sea and Persian Gulf.

The Saudi Tourism Authority has also been setting up tourist offices in key markets around the world.

Visit Saudi is the Premier Partner for WTM London 2022, so you can find out more on their stand at the show.

01.



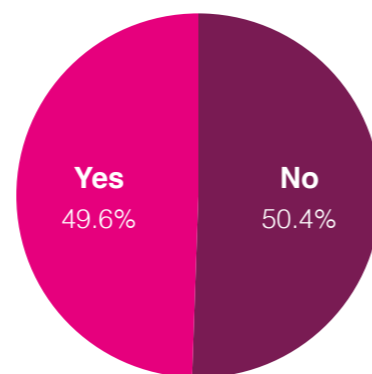
Travel 2023 — grounds for optimism?



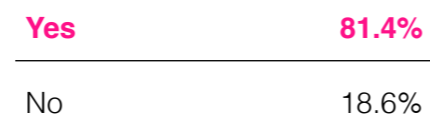
The pandemic sent half of travel businesses into debt...

For other businesses, a major factor in decreased spending was the pandemic. It caused half of them to go into debt. Some 80% of professionals noted that this caused them to change the way they do business.

Trade
Did the pandemic cause your business to get into debt?

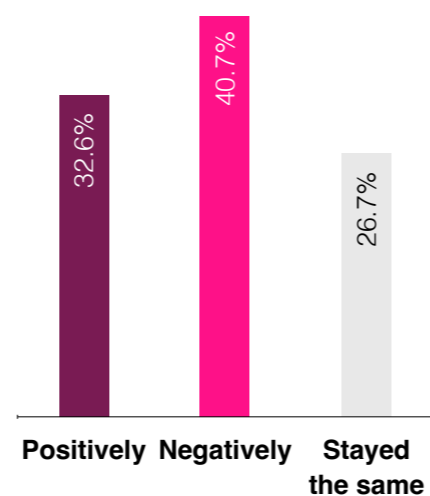


Trade
You mentioned that the pandemic caused your business to get into debt, has that changed the way you run the business?



The travel chaos of 2022 (see Chapter 4) had a somewhat marginal effect on businesses, with a 41% / 33% split between those saying it affected them as against those saying it didn't. In fact, 27% of respondents said it had no effect on them at all.

Trade
How did the travel chaos of summer 2022 affect your business?

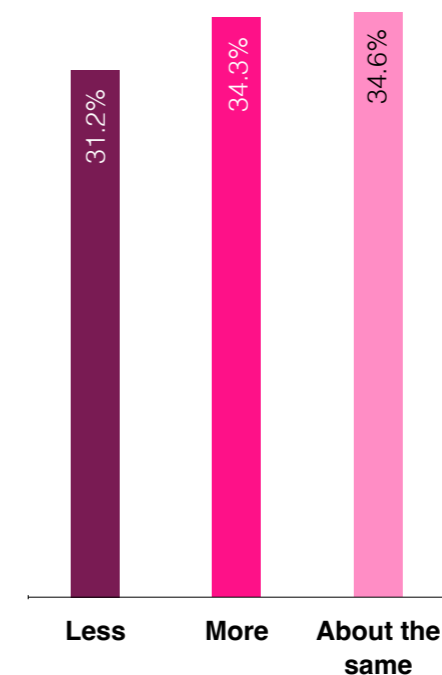


01.

For consumers, the perhaps surprising result is that they are fairly evenly split between those who say their budgets for 2022 are the same, more, or less than 2019 ones.

Given the rising costs facing both business and consumers since then, there is some room for optimism in the fact that two-thirds of potential customers have the same or a bigger budget for their 2023 holidays.

Consumer
Was the budget for your 2022 holiday compared to your 2019 one?



Perhaps the most room for optimism is in remembering the way the industry recovered from the September 11 attacks, and the 2010 volcanic ash eruptions in Iceland.

They serve as encouraging examples of how travel can bounce back from the most severe setbacks.

There is some room for optimism in the fact that two-thirds of potential customers have the same or a bigger budget for their 2023 holidays...



The cost-of-living crisis



02.

Almost half of industry bosses... see the cost of living having the biggest impact on business over the next 12 months...

Just as the travel industry thought it was getting back on its feet in 2021 after two fallow pandemic-hit years, 2022 came along and said “you ain’t seen nothing yet”.

In the year the UK lost its longest reigning monarch in Queen Elizabeth II, her famed description of 1992 as an “annus horribilis” could well be repeated and applied to this year.

Across the last 12 months, the world has seen war in Ukraine, global political uncertainty, record highs and lows of climate change, ongoing chip shortages, supply chain issues, crashing currencies, labour shortages, and rising fuel prices.

What the media soon termed the “cost-of-living crisis” saw inflation hit 10% in the UK, 9% in the USA and 10.9% in Germany (when harmonised against data from other EU countries) – and other Western democracies followed suit.

In November, the IMF expressed concern that policies laid down by the new UK government led by then Prime Minister Liz Truss would produce further inflationary pressure, while Jamie Dimon, chief executive at the largest US investment bank JP Morgan Chase, said the US was likely to enter recession thanks to a “very, very serious mix of headwinds”.

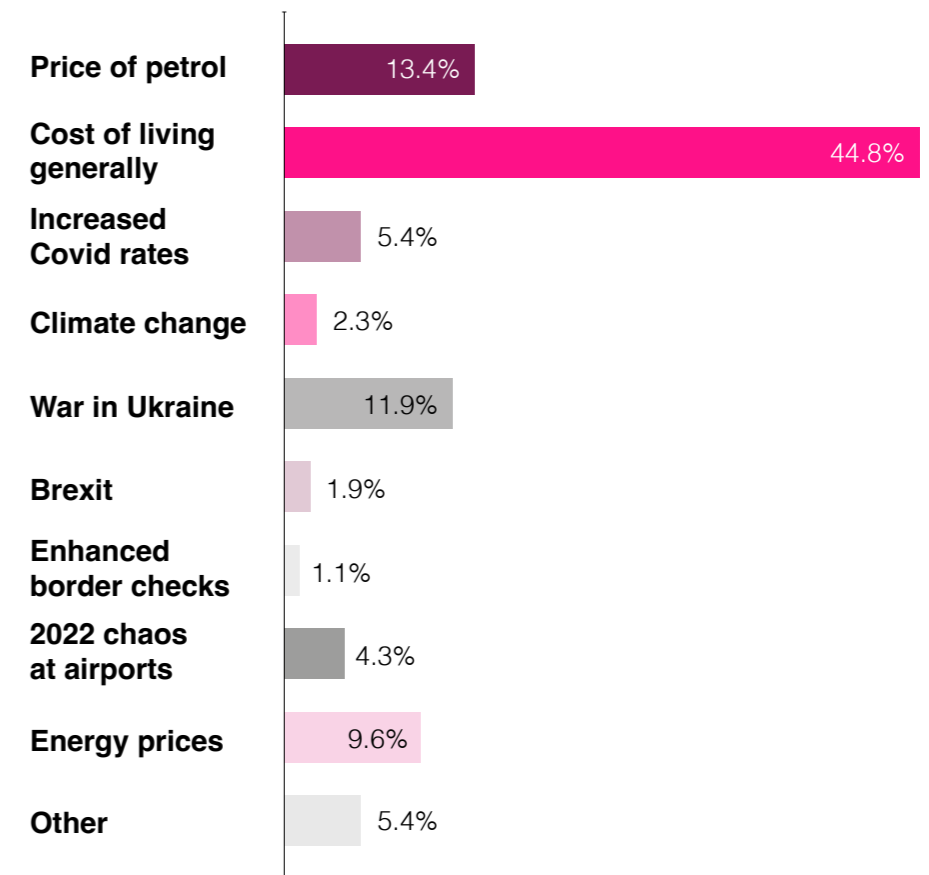
With prices rising and wages stagnating or increasing at rates below inflation, it’s perhaps little wonder the soaring cost of living around the world is seen as the greatest threat to the travel industry for 2023 by sector leaders.

Almost half of industry bosses (45%) questioned in our research see the “cost of living generally” as having the biggest impact on their business over the following 12 months.

Add petrol/fuel prices to that figure and more than two thirds of the travel industry (68%) saw pricing pressures as their greatest challenge for 2023.

Industry

Which of the following is most likely to affect your business negatively in 2023?



The survey reflects warnings by the World Travel & Tourism Council about the industry’s global bounce-back being at risk from economic headwinds.

In September, the WTTC highlighted the challenges to the G20 Tourism Ministers, saying collaboration between the public and private sector is needed now more than ever.

Julia Simpson, WTTC President and CEO, pressed home the message, saying that rising energy prices, cost of living, labour shortages, airspace restrictions and climate change “all threaten the full recovery of our sector”.

The cost of living crisis...



Consumer concerns about the cost of living...

According to the UK's Office for National Statistics in September, a huge 90% of adults reported an increase in living costs compared with a year ago, while almost three-quarters (73%) claimed their costs had become more expensive in the previous month alone.

The same research showed that 44% of those who were responsible for their household energy bills and 28% of those who were responsible for paying a mortgage or rent were finding it hard to make their payments. As a result, 15% were having to work more hours and 4% had taken second jobs to make ends meet.

Faced with these rising costs and depressed income, UK consumers also chose the cost-of-living crisis as the single biggest issue likely to affect their choice of holiday in 2022, according to our research.

Two-thirds of adults (66%) when asked what was more likely to have the biggest impact on their 2023 holiday plans cited the rising cost of living, and a further quarter of respondents (27%) offered the price of fuel as a major concern.

According to the survey respondents, rising bills vastly outweigh other concerns including worries about Covid-19 (20%),

other global health emergencies (11%), the war in Ukraine (14%), airport chaos (12%) or enhanced border checks (13%).

In a year with record extremes of temperature, just 9.7% said that climate change was likely to affect their plans.

Women proved to have greater money concerns than men, according to the survey, with 73% of them citing it as their major worry when it came to their holiday spend, compared to 58% of men.

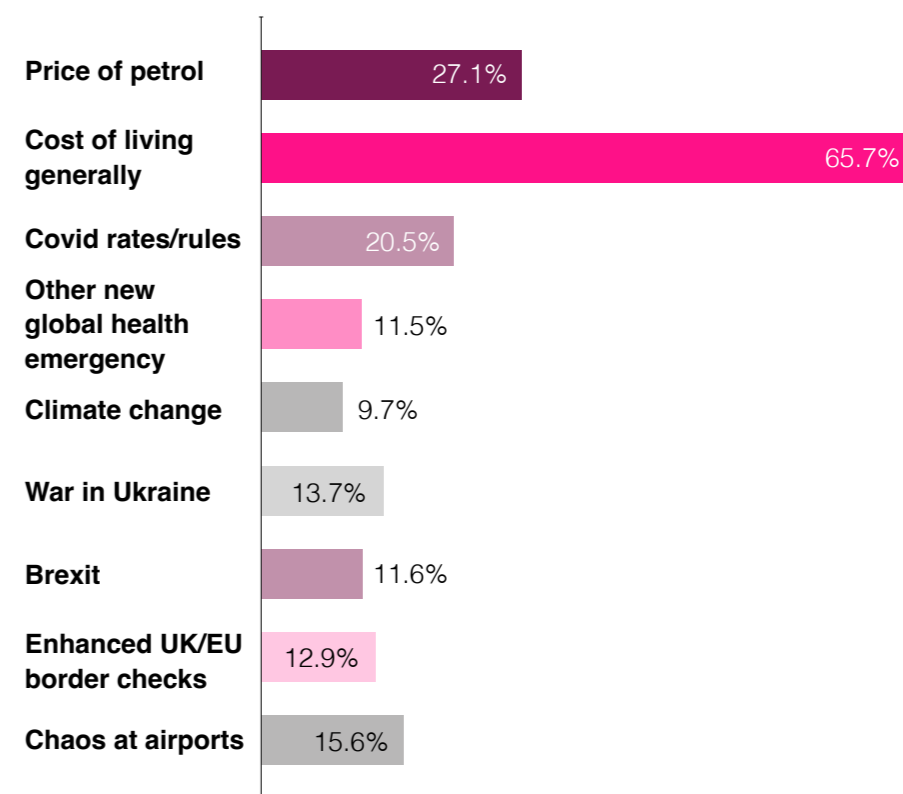
The youngest and the eldest age groups are less concerned than anyone else, with 51% of 18-24s and 54% of over-65s saying the cost-of-living crisis will impact holiday choice.

Anxiety about the cost-of-living in holiday plans rises to at least 70% for the rest of the population.

When asked about the budget for their 2022 holiday compared to their 2019 holiday, respondents were almost equally split, with 31% saying they spent less; 34% spending more and 35% spending about the same.

Consumer

What is most likely to have the biggest impact on your 2023 holiday plans?



When asked about the budget for their 2022 holiday compared to their 2019 holiday, respondents were almost equally split, with 31% saying they spent less; 34% spending more and 35% spending about the same

02.

The cost of living crisis...

More than half (56%) of consumers said they were more aware of the currency exchange rate

Consumers more aware of currency fluctuations...

In September, the pound touched a record low against the dollar and showed large falls against other major currencies. Investor confidence was seriously knocked after tax cut pledges by then newly installed UK chancellor Kwasi Kwarteng.

While those lows came after the consumer survey was carried out, the pound has been on a steady downward trend against the dollar for almost

two years and that, alongside the current cost-of-living crisis, seems to have sharpened consumer awareness of currency rates.

When asked if consumers were more aware of the currency exchange rate when it came to choosing a holiday, more than half (56%) said they were more aware, 35% said they weren't more aware and 10% didn't know.

Optimistic travel priorities...

Despite the somewhat gloomy financial forecasts, Brits still seemingly want to go big on their annual break for 2023.

WTM research showed that one in five (19%) holidaymakers are looking to splash the cash by booking a luxury holiday in 2023, and a further 17% want to take a once-in-a-lifetime/bucket list holiday. Furthermore, a combined 38.1% said they they hoped to find a 'unique experience' or an 'authentic experience'.

Earlier this year research conducted by Hilton before the crisis fully kicked in showed that 77% of people wanted to spend time with their families in the post-pandemic era.

Our survey echoes those results with almost half of those asked saying they wanted a child/family-friendly holiday (23%) or to visit missed family (26%). In contrast, just 6% said they were looking for a solo to take a solo trip.

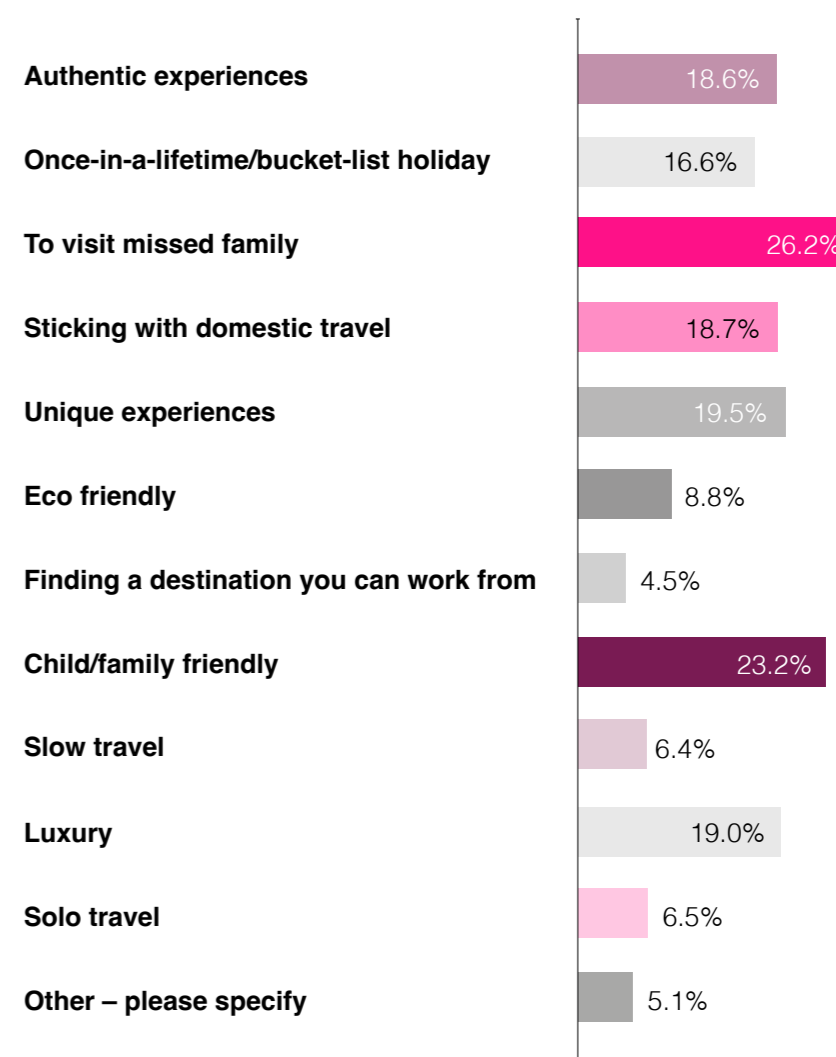
Meanwhile, the financial crisis, cost of fuel and the chaos seen at some UK airports in 2022, could be responsible for one in five (19%) people saying they are set to stick with domestic travel in 2023 – the staycation is clearly here to stay.

A minority are also looking to beat the crisis by killing two birds with one stone: 4.5% stated they wanted to holiday in a place they could work from.



Consumer

What are your travel priorities for 2023?



2023 hot destinations & holiday habits



03.

The travel industry's annual \$64,000 question designed to start hundreds of heated discussions is "where's the latest undiscovered hotspot?" and past WTM research has revealed some interesting choices.

Iraq's 2009 appearance at WTM London saw both increased airline and hotel demand in the then war-torn nation the following year; factors that saw it marked as a "future tourism hotspot".

Then in 2015, one-in-six (16%) of UK holidaymakers said they were interested in visiting Iraq's neighbour Iran, which at the time set a target of 25 million visitors by 2025.

Adventurous holidaymakers looking to find their next hot destination in 2023 should, however, look a little closer to home, according to travel industry insiders. When asked for their choice of "most underrated destinations", the Azores and Northern Greece topped the poll of our industry experts.

With almost one-in-five UK travellers expecting to holiday at home in 2023, they may be pleasantly surprised to see Scotland & Wales making it into the top ten "most underrated destinations" list



The Azores, an autonomous region of Portugal, took 14.5% of the vote in first place. The archipelago in the North Atlantic Ocean has been steadily growing in popularity thanks to its laid-back lifestyle, natural beauty and wildlife experiences including whale and dolphin spotting. Indeed, in July this year, the number of passengers arriving in these far-flung islands hit its highest level in five years, with 252,483 passengers landing at its airports.

Greece has always been a favoured destination in Europe and has seen a big resurgence in visitors for summer 2022. Analysts at the country's Alpha Bank have gone as far as predicting a new record year thanks to pent-up demand for travel due to the two-year Covid-19 pandemic and large household savings accumulated during the period of pandemic measures.

Usual Greek hotspots include the south of the mainland and the ever-popular Greek islands, but Northern Greece is gaining in popularity and it may be no coincidence that the Greek National Tourist Board's long-term marketing campaign is pushing year-round tourism.

The region, which narrowly missed out on top spot in our industry poll by just 0.5%, has much to offer visitors. Popular destinations include Mount Olympus, the country's highest mountain and a mythical place where the Gods of Ancient Greece were said to reside. In modern times, Litochoro, known as the City of the Gods, is about 100km away from Thessaloniki, Greece's second city.

The Halkidiki Peninsula is a beautiful part of Greece, with its "three fingers" which extend from the mainland out into the Aegean Sea, while Northern Greece as a whole is rich with heavy influences found from its Roman, Byzantine and Ottoman past.



With almost one-in-five UK travellers expecting to holiday at home in 2023 (see Chapter 2), they may well be pleasantly surprised to see Scotland and Wales making it into the top ten "most underrated destinations" list.

One-in-10 industry leaders chose Scotland as the most underrated destination, while 8% focused on Wales. Both destinations have a wide range of attractions, natural beauty, history, folklore and castles, as well as great city break destinations including Glasgow, Edinburgh and Cardiff.





Hot destinations...

More than half of those asked (52%) said they would most like to visit Europe in 2023, followed by 13% looking to visit North America & 11% to Asia

Each country has also recently come under the spotlight with the passing of the UK’s longest serving monarch Queen Elizabeth II, who died at Balmoral Castle, her home in the Scottish Highlands. People around the world were given an insight into the area as part of the global coverage that followed her death in September.

When the Queen’s coffin left Balmoral on an epic six-hour journey to Edinburgh, images were beamed around the world of spectacular views of the nation’s countryside. That beauty has inspired writers such as Robert Burns and Ian Rankin, and attracted 150 million visits to Scotland in 2019. That included one in ten coming from England, and 534,000 from the USA visiting Edinburgh and Lothian alone.

Wales was similarly in the spotlight when King Charles III and Queen Consort Camilla visited as part of a tour of the UK nations in the days following his mother’s death. Before becoming King Charles III, Prince Charles was Prince of Wales for 64 years and the title has now passed down to his son, Prince William.

More than one million international trips were made to Wales in 2019, bringing in £515 million. In the same year there were 10.7 million overnight domestic trips from Great Britain, generating £2,000 million. A further 87 million day trips generated expenditure of £3,447 million.

Wales and Scotland could also see a boom in popularity as US visitors take advantage of the tumble in sterling against the US dollar (see also Chapter 2). In October, tour operators at the UKInbound conference celebrated their best sales month since October 2019.

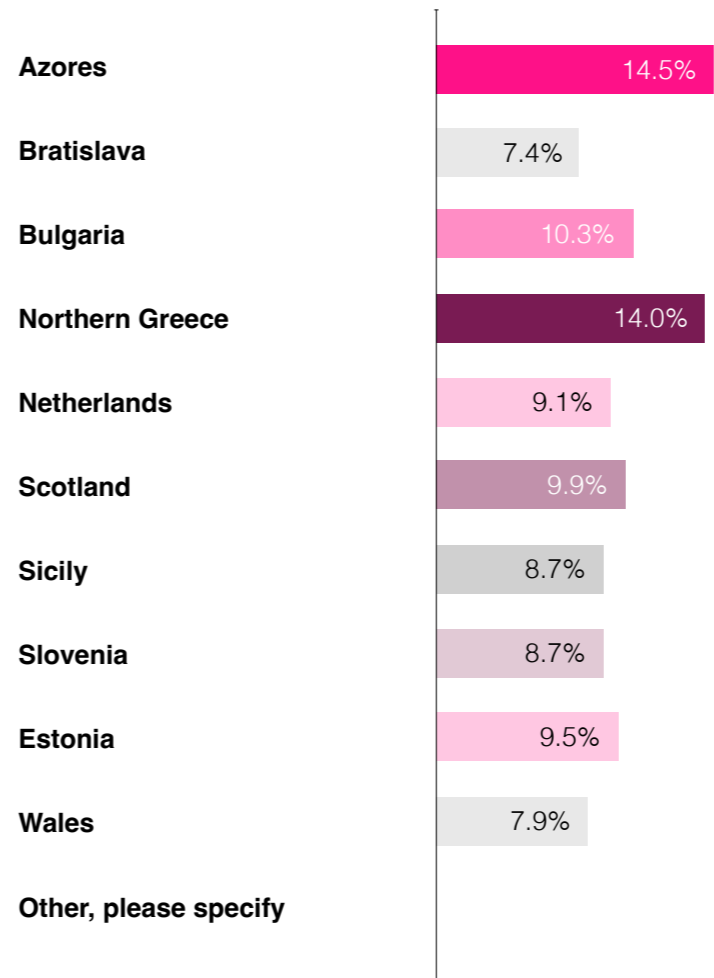
Lana Benett, chief executive of Tours International told The Guardian: “After everything we’ve been through for us it’s quite good news. We’re seeing a spike in inquiries, there’s a lot more certainty, more keenness – people want to get things firmed up and take full advantage.”

The industry experts’ top 10 most underrated destinations are exclusively from Europe – and that could well match demand, according to the consumer element of our survey.

More than half of those asked (52%) said they would most like to visit Europe in 2023, followed by 13% looking to visit North America and 11% to Asia; all other continents recorded single figure preferences with Australia’s 9% the “best of the rest”.

Industry

Which do you feel is the most underrated destination?



03.



Hot destinations...

Europe's beach destinations look to be in for a busy 2023 too. Our consumer survey showed that beach breaks are still the number one choice of UK holidaymakers.

More than half (52%) of those asked said it was the kind of holiday they were most likely to book in the next six months. That figure was far higher than the second most popular option, the city break, chosen by just over one in three people (36%).

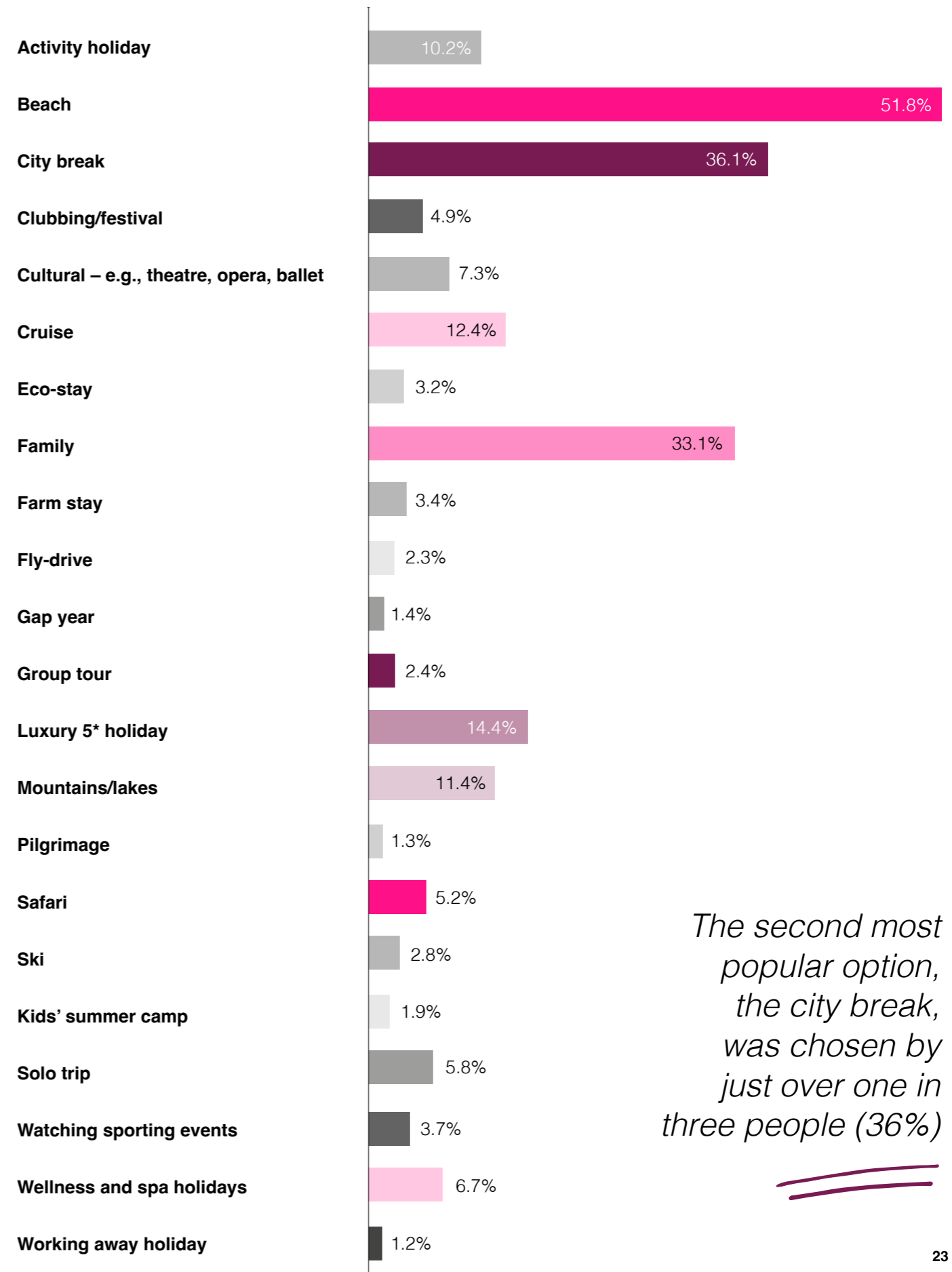
Meanwhile, one in seven (14%) want a luxury, five-star holiday; one in eight (12%) choose to cruise, and one in nine of us (11%) are thinking about a lakes and mountains holiday.

Our consumer survey showed that beach breaks are still the number one choice of UK holidaymakers

03.

Consumer

What sort of holiday/s are you interested in booking in the next 6 months?



The second most popular option, the city break, was chosen by just over one in three people (36%)



Our holiday habits...

Sun lounge stakes...

British holidaymakers can no longer claim the high ground when it comes to the well-worn stereotype of German holidaymakers rushing from their rooms to reserve sunbeds by the hotel pool.

When asked **“On holiday, do you like to go out early just to put your towel down on a sun lounge of your choice?” more than a third of Brits (37%) said yes; while 63% kept up their British reserve and claimed it was “inconsiderate”.**

More men than women (40% v 35%) admit to going out early to put towels on sun loungers and it's the younger generations who are more likely to do so.

The survey reveals a staggering 71% of 18-24s get up early to reserve their spot, while 50% of 25-34s and 45% of 35s-44s do the same.

Less than a third (32%) of 45-54s and one in five 55-64s bother getting up to secure their lounge, while only 10% of over 65s do so.

Get packing...

Our consumer survey also provided some telling insights into the suitcase-packing habits of British holidaymakers.

A third of us (32%) pack a week before we travel, with another 32% packing two days before.

Almost one in eight (12%) are extremely organised, packing their holiday suitcase a month before travel, with another 12% packing gradually over several days.

In complete contrast, one in ten (11%) leave their packing until the night before, with 1% of Brits throwing everything into their suitcase on the day of travel.

03.



Travelling with Covid...

An overwhelming majority of Brits think that people have been travelling while knowing they have Covid-19 according to our research, with almost half (46%) of respondents saying “Yes, definitely,” when asked: “Do you think people travel while knowing they have Covid?”.

A further 41% replied “Yes, maybe”. It means almost nine in ten (87.4%) replied yes when asked the question by pollsters.

The survey was conducted during the first restriction-free summer since 2019, with travellers able to enter and leave the UK without worrying about Covid-19 rules – unless they were visiting a destination which still had curbs in place. Covid-19 testing and quarantine rules for returning to the UK were removed in March, in time for the Easter getaway, paving the way for a return to normality.

It was a marked contrast to the summer 2021 season, with widespread confusion over the UK government's Covid-19 travel restrictions, traffic light system and quarantine rules.

Our survey for WTM London last year showed that the traffic light system had put two-thirds of consumers off travelling overseas.

An overwhelming majority of Brits think that people have been travelling while knowing they have Covid-19 according to our research



Towards better airports



04.

Airports came into sharp focus earlier this year after travel started up again when pandemic restrictions eased. Unfortunately, much of the news was not good for the airline industry generally, with passengers facing notable delays.

Hit by a wave of passengers driven by pent-up demand for holidays further fueled by savings made during the various lockdowns, airports faced a perfect storm. Consumers were also cashing in credits earned for flights airlines had to cancel at the start of the Covid-19 crisis.

The traditional start of the holiday season, the Spring half-term holidays, were the first in England and Wales since the lifting of all UK Covid-19 travel restrictions. The easing of coronavirus test requirements by most EU countries also helped unleash demand.



The media was filled with images of seemingly endless lines of passengers at Heathrow and other airports waiting to check in.

Interviews highlighted tired parents trying to cope with the wait and headlines cited “travel chaos” — not only at airports, but also at ferries and on motorways.

A The Sun headline read: ‘PLANE CRAZY: Gatwick Airport chaos as passengers complain of being locked in STAIRWELL & late flights’. And The Guardian carried a report saying: ‘A nightmare from start to finish’: the people stuck in UK’s airport chaos’.

Only 15% blamed airports & airport staff, with most criticism (22%) aimed at the government

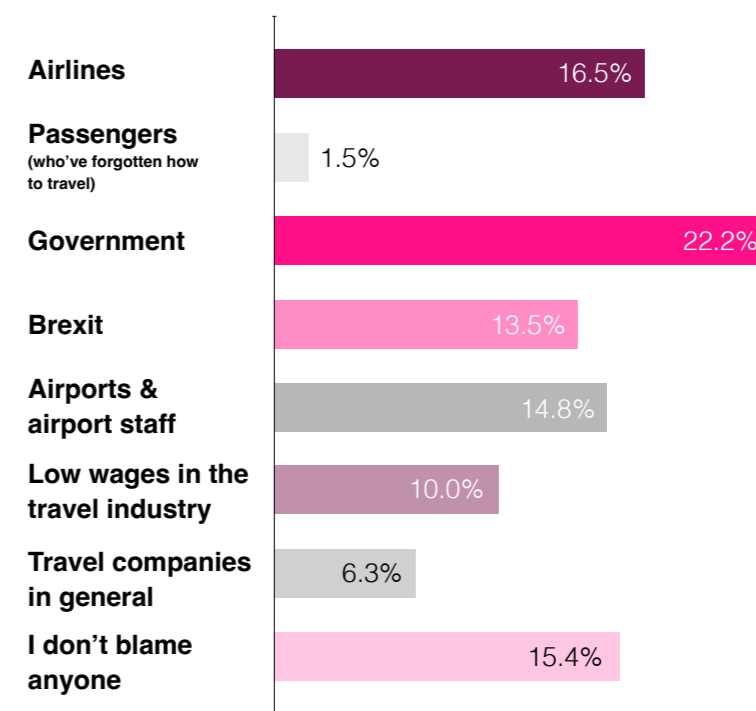
Blame shared between government & airlines...

The good news was that most consumers seem to understand the problems caused by this unique combination of events. Only 15% blamed airports and airport staff, with most criticism (22%) aimed at the government.

Airlines themselves took the flak from one in six (17%) of consumers, the second highest target. However, that’s not far from the 15% who said ‘I don’t blame anyone’, while a mere 2% mentioned ‘passengers who’ve forgotten how to travel’.

Consumer

Who/what do you blame for the travel chaos during 2022?



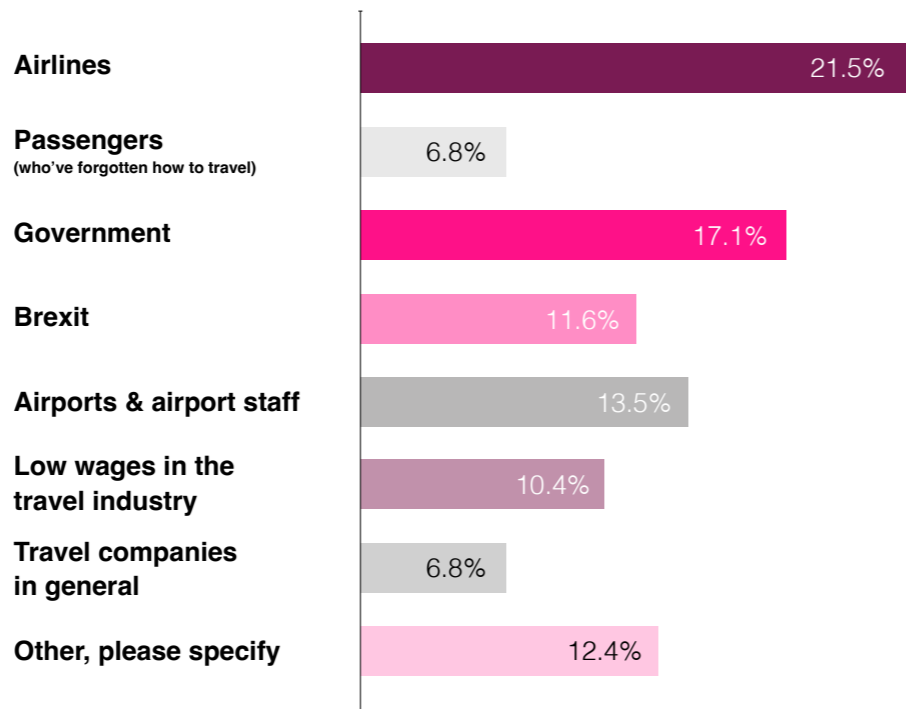


Towards better airports...

When asked 'What would most improve your airport experience?', the largest number of consumers (32%) answered "better/faster check-in"

It's interesting to note that these consumer opinions are in broad agreement with those of the travel professionals. However, airlines are allocated more blame (22%) than any other factor, with government pushed back into second place (17%).

Trade
Who/what do you blame for the travel chaos during 2022?



Faster check-in beats more shopping...

With all this focus on airports, however, it seemed a good time to ask if people thought they could be improved. Our findings show many think this needs to happen at the basic level.

When asked 'What would most improve your airport experience?', the largest number of consumers (32%) answered "better/faster check-in".

Another 13% answered "better/faster boarding". "Better/faster baggage handling" (9%), "cheaper parking options" (10%), and "better departure lounges" (5%) were also popular choices. Only 2% asked for better shopping. Of course, these results could be interpreted as meaning that consumers are delighted with the shopping on offer, and see no room for improvement.

A break down of the sample by sex shows that a marginally stronger demand for operational improvements comes from women. In total, 74% of women respondents want improvements in check-in, security, boarding and bags, compared with 70% of men. Male respondents were more focused on improving not only the food and drink, but, perhaps surprisingly, also the shopping opportunities.

Consumer
What would most improve your airport experience?

Better / faster check-in	31.6%
Better / faster security	18.5%
Better / faster boarding	12.6%
Cheaper parking options	9.7%
Better / faster baggage handling	9.2%
Better / faster arrivals experience	5.7%
Better food & drink	5.7%
Better departure lounge	4.9%
Better shopping	2.2%



Towards better airports...

Perhaps most reassuring of all is the fact that the vast majority of passengers still seem willing to trust airports to get it right

Regionally, the strongest calls for better check-in options came from respondents in the North East; travellers from East England were the most vocal in calling for cheaper parking; residents of the East Midlands were the most interested in faster boarding options.

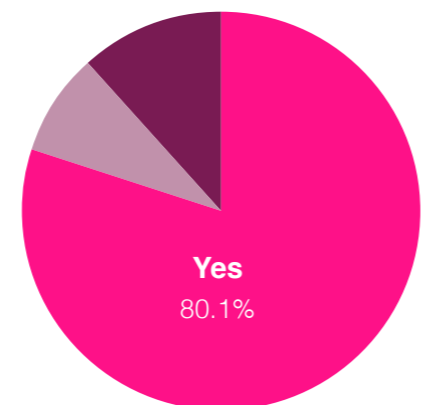
A related question asked what consumers thought of airline luggage rules. The confusion brought about by differing standards prompted a very strong response, with 80% asking for standardised luggage regulations.

A strong majority are also asking for online check-in of baggage. Two-thirds would prefer that option, with a third saying they only take hand luggage.

Consumer

Do you think luggage rules should be universal across all airlines?

- **Yes** – 80.1%
- **Don't know/ prefer not to say** – 11.5%
- **No** – 8.5%



Consumer

Do you prefer to:

Check in your bag online	66.0%
Take hand luggage only	34.0%

A strong majority are also asking for online check-in of baggage. Two-thirds would prefer that option

Airport security is still an essential...

It's also reassuring that the majority of respondents (70%) accept that the current level of airport security is necessary, with only 14% asking for measures to be reduced.

Perhaps most reassuring of all is the fact that the vast majority of passengers still seem willing to trust airports to get it right.

Only 16% said they were put off travelling next year by the 'travel chaos at airports' in 2022, well below worries about the price of petrol, cost of living, and Covid rates. Indeed, it's lower than combined concerns about Brexit and enhanced UK/EU border checks.

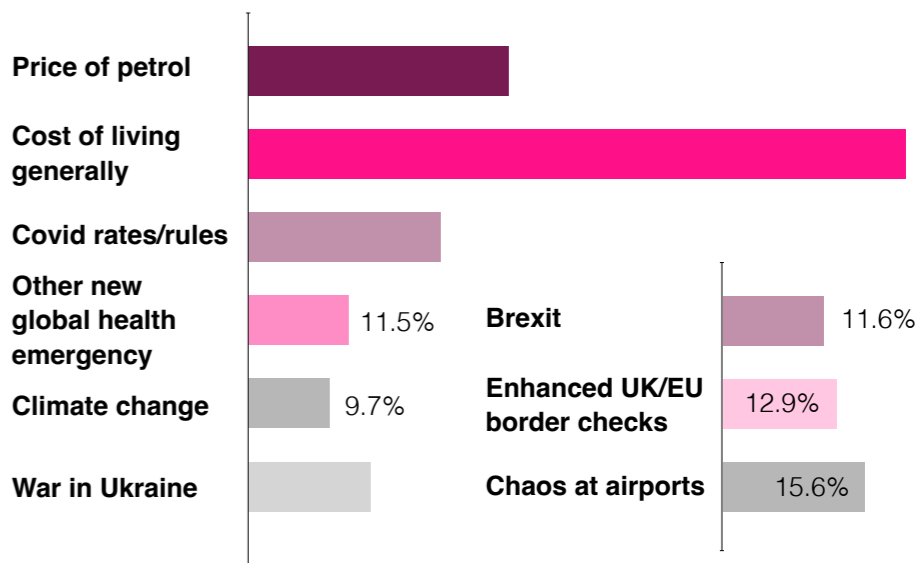
Consumer

What do you think of airport security measures?

They are still essential	69.8%
Time to reduce them	13.5%
They go far enough	11.7%
They don't go far enough	5.0%

Consumer

What is most likely to have the biggest impact on your 2023 holiday plans?



04.

Working in travel



05.

The travel industry has always had a glamorous image. From its airline pilots to its marketing images of exotic beaches, employment in the tourism sector has long been thought of as a dream job for many people.

The World Travel & Tourism Council's latest research shows that the travel sector lost 62 million jobs during 2020, mainly due to the effects of the worldwide pandemic. However, even a limited recovery during 2021 still left travel employing 290 million people globally, while more than a billion people work in tourism-related activities worldwide.

So it may come as a shock to hear that just under 30% of British consumers in our survey think the travel industry is an attractive one to work in. Almost 60% say it isn't, with the remainder not knowing or preferring not to say. That finding contrasts strongly with travel professionals themselves. The majority believe travel is an attractive sector to work in – but do admit the industry is currently struggling to recruit.

When asked: "Do you see the travel industry as an attractive industry to work in?", seven in ten (71%) answered "yes", while 14% answered "maybe". About one in eight (13%) believe the opposite, although almost all who said "no" qualified their answer by saying it wasn't an attractive industry to work in "at the moment".

These findings highlight the recruitment crisis since the travel industry reopened earlier this year after being put on hold during the Covid-19 crisis, when many people were either made redundant or left the sector. Since then, most companies have struggled to fill job vacancies.

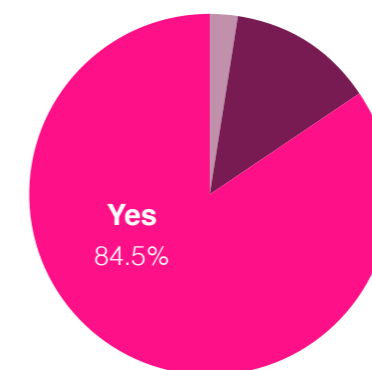
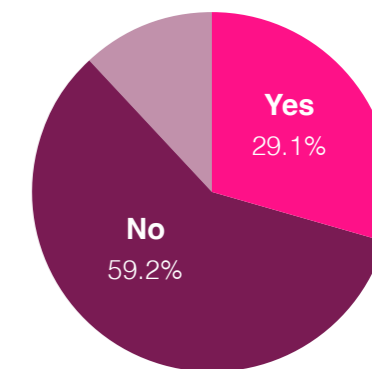
In September, ABTA – The Travel Association addressed the issue, with a push to highlight the advantages of a career in travel, using social media to communicate with prospective staff. They suggested "an increased focus on training to support people who are new to the sector and who quickly need to become familiar with all things travel".



Do you see the travel industry as an attractive industry to work in?

Consumer

- No – 59.2%
- Yes – 29.1%
- Don't know/ prefer not to say – 11.8%



Trade

- Yes – 84.5%
- No – 13.2%
- Don't know/ prefer not to say – 2.3%

ABTA Chief Executive Mark Tanzer said at the time: "ABTA is keenly aware that our members, as well as many other sections of the travel industry, are facing serious challenges in a highly competitive recruitment market."

He described travel as: "One of the most rewarding and enjoyable of industries", adding people entering the sector can "build successful long-lasting careers".

Working in travel...



Businesses are evenly divided on the biggest issues they face in this area

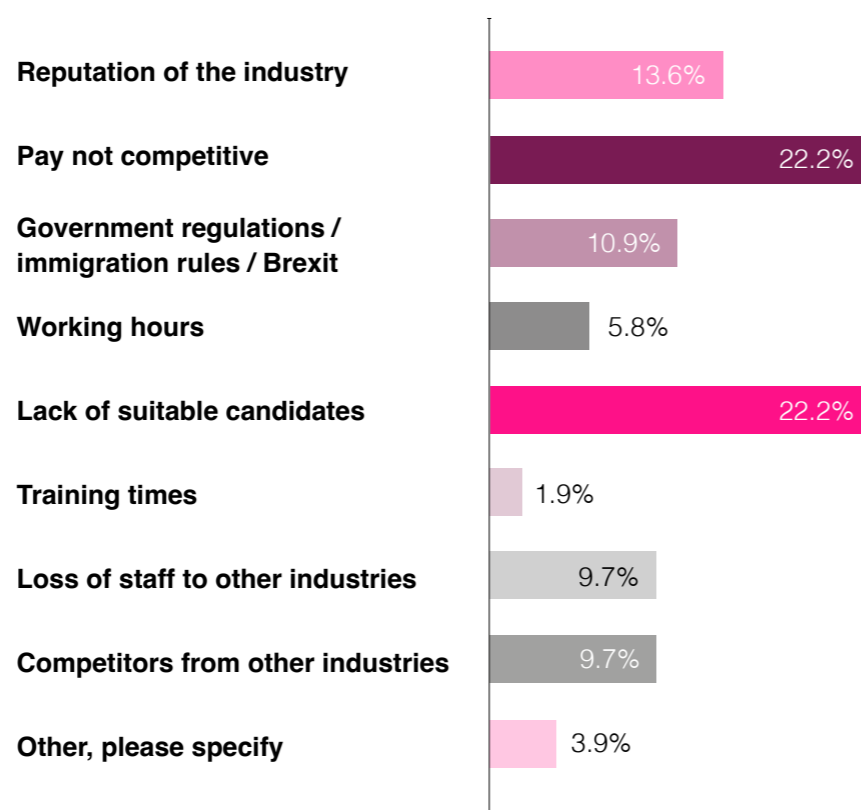
Facing the talent shortage...

The split in opinion between those inside and those outside the industry is reflected in the difficulty being experienced in attracting talent. However, businesses are evenly divided on the biggest issues they face in this area.

They suggest a lack of suitable candidates (22%), and pay not being competitive (22%) as equal causes. The reputation of the industry, at 14%, is a smaller but still worrying concern. Government regulations, immigration rules and Brexit (combined at 11%) are the next biggest obstacles in recruitment.

After that, one in ten say the biggest issue is loss of staff to other industries, while exactly the same number say competition from other industries is a problem. Working hours (6%) and training times (2%) are the other two problems businesses face in attracting new faces.

Trade
With regards to recruitment, what is your biggest issue in attracting talent?



Attracting talent: what to do?

So what is the industry doing about this problem? Flexible working (27%) appears to be the major incentive on offer from those surveyed. Opening up recruitment to those working in other sectors (17%) is also an idea being pursued.

Another 11% are offering greater career prospects, and 2% have put more holiday entitlement on the table. Around a quarter (24%) suggest they are offering other incentives, or a combination of all the other suggestions.

Only 14% are offering higher salaries. Whether this reflects the challenging economic times, with lack of resources, or perceived satisfaction with existing salaries would need more research.

Trade
How are you addressing the war on talent?

Strategy	Percentage
Flexible working	27.1%
Offering more incentives to attract new talent	24.3%
More open to recruiting people outside of the industry	17.1%
Higher salaries	13.9%
Greater career prospects	10.8%
Other – please specify	4.8%
More holiday entitlement	2.0%

05.

Working in travel...

While 45% of travel companies have already started to offer better conditions, and a further 22% are preparing to, another 17% are still considering it



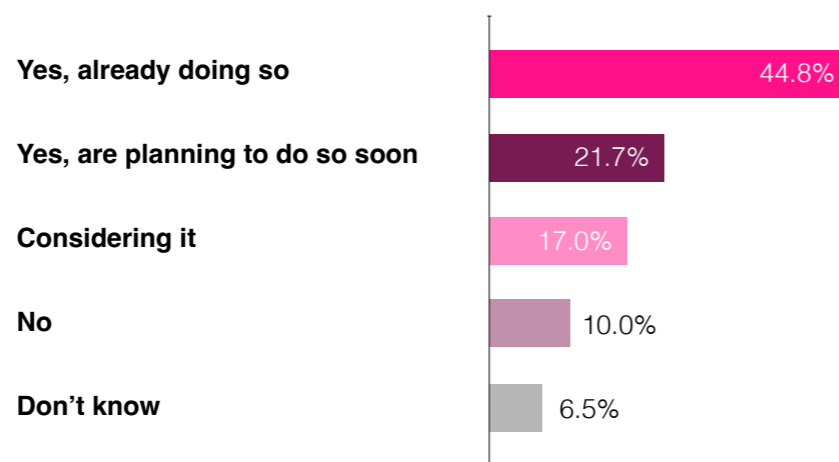
How can we attract new talent?

When we drill down into the responses, an interesting finding is how this response to the talent shortage is playing out.

While 45% of travel companies have already started to offer better conditions, and a further 22% are preparing to, another 17% are still considering it.

Trade

Are you already, or do you expect to soon start, offering better conditions / incentives to retain staff in the current job-seeker market?



Again this no doubt highlights the economic uncertainties many businesses continue to face.

Another thought-provoking response is that one in ten say they don't intend to offer any

improved conditions/incentives, with the remainder unsure at the present time.

The current state of the global economy may well again be a factor in this.

What should we offer new talent?

To find out more, we asked respondent: "What sort of conditions/benefits are you offering?" This question again threw up some very interesting results.

The main incentive actually being offered was training and progression opportunities (57%). Flexible working (49%), a pay rise (38%), and enhanced benefits (37%) also featured highly in answers.

Other ways in which companies are hoping to retain staff are by offering free food (offered by 21% of respondents); free travel (20%); discounts (16%) and a sabbatical (3%).

At the bottom of the list is free or onsite childcare – offered by just 1% of respondents. WTTC launched a major initiative in 2021 to support women's equality in Travel & Tourism, with their research showing women represent 54% of Travel & Tourism's employment worldwide.

While childcare is not only an issue for women, it is still one that affects them disproportionately. However, two-thirds of travel's key decision makers who took part in this WTM London 2022 Industry survey are men.

So this very low figure on childcare may well be one that needs to be addressed, given that costly childcare is one of the key reasons that women in particular feel unable to return to work after starting a family.

Trade

What sort of conditions/benefits are you offering?

Training & progression	56.4%	Discounts	15.8%
Flexible working	48.5%	Sabbatical	3.0%
Pay rise	37.6%	Other	2.0%
Enhanced Benefits	36.6%	Free or onsite childcare	1.0%
Free food	20.8%		
Free travel	19.8%		

05.

Working in travel...

When asked if they would still work in the travel industry in five years, a very high number (59%) said they definitely would be

The good news...

One final question threw up some good news for the industry. When asked if they would still work in the travel industry in five years, a very high number (59%) said they definitely would be, and another 26% said they “hopefully” would be.

That combined figure of more than 84% represents a strong vote of confidence in working in the sector. Another 13% said they would “maybe” be still working in travel by then. Only 2% said they would not be.

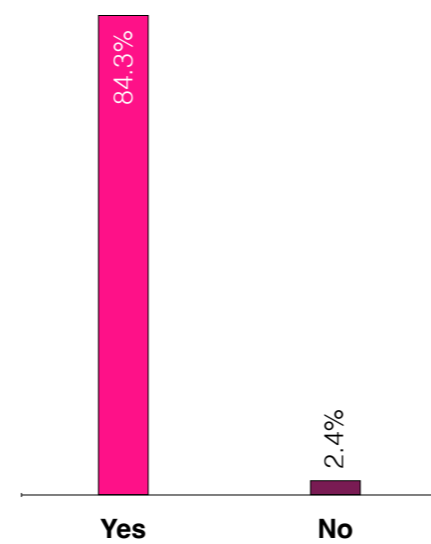
Of those saying they would not be working in travel, 83% gave retirement as the reason for leaving. The remaining 17% said the cost of doing business would cause them to leave the sector.

While the Covid-19 crisis produced a wave of earlier-than-planned retirements among the “baby boom” generation, more than a million British workers alone had to delay retirement because of it.

The effect of retirement on the travel industry may be a small one for now, but it always needs to be addressed in terms of loss of experience, knowledge and skills.

Trade

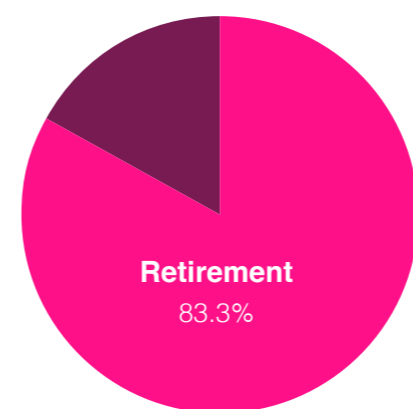
Will you still work in the industry in five years?



Response	Percentage
Yes, definitely	58.5%
Yes, hopefully	25.8%
Maybe	13.3%

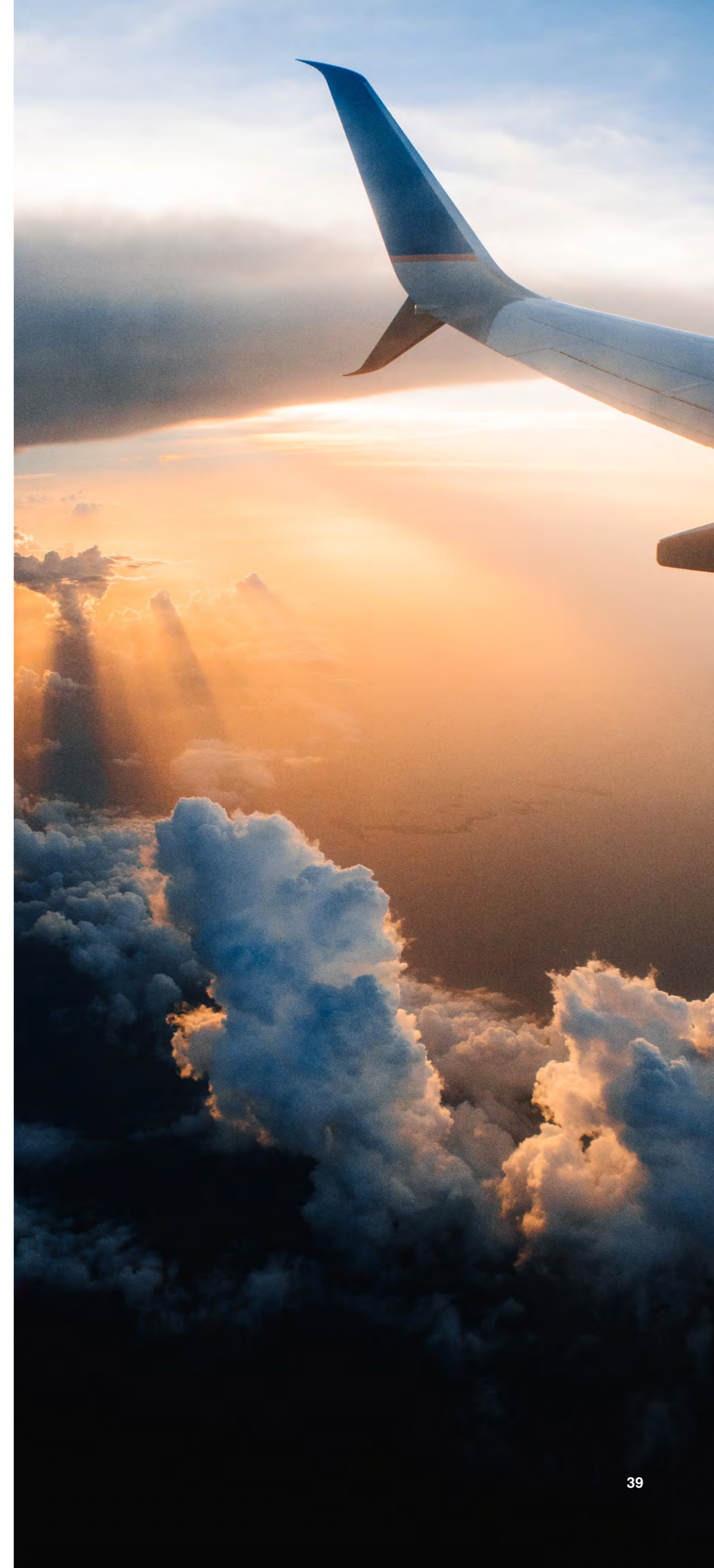
Trade

You have stated that in 5 years, you will not work in the industry. Why?



- Retirement – 83.3%
- Cost of doing business – 16.7%

05.



Who we trust –

how consumers choose their holiday destination



06.

Digital platforms are now king when it comes to the most important sources for consumer interest in a destination – with two-thirds of those asked saying the internet generally (36%), websites (22%) and social media influencers (8%) played the biggest role in them making a decision about where to go on holiday.

Family and friend recommendations remain important when it comes to British holidaymakers' holiday hotspots, with 15% saying they relied on the word-of-mouth opinion of someone they knew to help make a decision.

By contrast more traditional printed media such as brochures (4%), newspapers (3%) and magazines (2%) all ranked in single digit percentages in consumer information for their 2023 holidays.

The rise of digital travel influencers has seen a dramatic increase over the past decade with everyday content creators taking over from celebrities as ambassadors for travel brands. Consumers, it seems, are increasingly placing their trust in the authenticity of bloggers, vloggers, Tik Tokkers and Instagrammers.

Not only are they influencing purchasing decisions in their country of origin, but those with the biggest reach can do so on a global scale.

What was once seen as a niche interest can now be a lucrative career with vloggers such as Charlie Pauly able to command anything from £1,000 to £10,000 for a single Instagram post.

The 31-year-old from Peterborough is one of the UK's most successful travel influencers with an Instagram following of almost 300,000 and 27,000 YouTube subscribers, leading to a passport full of stamps including ones from USA, Philippines and Turkey.

In a recent interview with the Daily Star, he cited a quality camera, regular consistent content, a unique approach, relatability and the nous to jump in and use new platform features as key tenets of his success.

The prominence of influencers such as Pauly, Paul Steel of baldhiker.com (650k Twitter followers) and Hannah Brotherton, whose Postcards By Hannah Instagram account is followed by 283k people, has paved the way for travel companies such as Jet2 Holidays and online travel agent On the Beach to adopt specific policies to accommodate bloggers' holiday requests.



Family and friend recommendations remain important when it comes to British holiday makers' holiday hotspots, with 15% saying they relied on the word-of-mouth opinion of someone they knew to help make a decision.



Who we trust...



Other companies have initiated tie-ins, such as the October announcement by price comparison site icelolly.com that it had joined forces with Trending Travel, one of the UK's leading social media specialists with a claimed average monthly reach of 21 million people through social activity, to create a new Inspire and Compare booking funnel.

Social influencers gain more traction with younger audiences than any other sector according to WTM research, with one-in-five young travellers using them for destination advice – but their impact drops dramatically over the generations.

Some 20% of those aged 18-24 said that they stayed informed about holiday destinations through social media influencers. That proportion declined across the age categories, falling to 10.6% for those aged 25-34; 8.9% for the 35-44 age group, and 7.1% for those aged 45-54.

The rate plunged to just 1.7% for those in the 55-64 age group and a mere 0.6% for those aged 65 or older; figures that show how the travel decisions of Generation Z – those born in the late 90s and into the noughties – are much more influenced by platforms such as Instagram and TikTok than the older generations.

Consumer

How do you get information about your holiday destination of choice?

The internet	36.4%
Websites	22.1%
Friends, family, colleagues	15.4%
Travel agency	8.4%
Social media / Influencers	7.8%
Brochures	4.2%
Newspapers	2.9%
Travel agency	8.4%
Magazines	1.9%
Other – please specify	1.2%

Travel agents rate highly with younger generations...

Despite the reach of influencers when it comes to destination choice, younger travellers are the age group most likely to book with a traditional travel agent.

Across all age groups, self-booking ranked the highest choice with more than a third (35%) saying they booked their next holiday themselves using online tools.

Some 17% used a travel agent, although more than a third of those asked (37.5%) were yet to book a holiday and this could, of course, have a serious impact on final figures.

A resurgence in the popularity of travel agents was noted in this year's Holiday Habits Report published by ABTA in early October. The report highlighted that in 2017 travel agents were in the top three fastest declining sectors as 670 high street stores shut down.

However, demand for professional expertise and advice in 2022 had exceeded 2019 levels and was expected to grow further.

More good news comes for travel agents in our research when it came to holiday-makers' views on the service travel agents provide. When asked "Do you think travel agents do a good job?", six in ten (59.6%) replied "yes", a quarter said "don't know" (26.1%) and 14.4% responded "no".

Consumer

How did you book your next holiday?

I've not booked a holiday yet	37.5%
Self-booked using online tools	35.4%
Travel agent	16.7%
Tour operator	5.5%
Airline package	5.1%

A resurgence in the popularity of travel agents was noted in this year's Holiday Habits Report published by ABTA

06.

The “Customer Journey”



07.

WTM London has always led the way in highlighting the importance of technology to the global travel and tourism industry.

Its dedicated, stand-alone technology event – Travel Forward – is a chance to network with innovative technology providers and discover the next generation of travel technology products and solutions.

Our survey highlights how the industry is focusing its technology planning around making things easier for the traveller. Nearly half of the sample identified “the customer journey” as a priority.

The customer journey is an umbrella term for the traveller’s end-to-end experience.

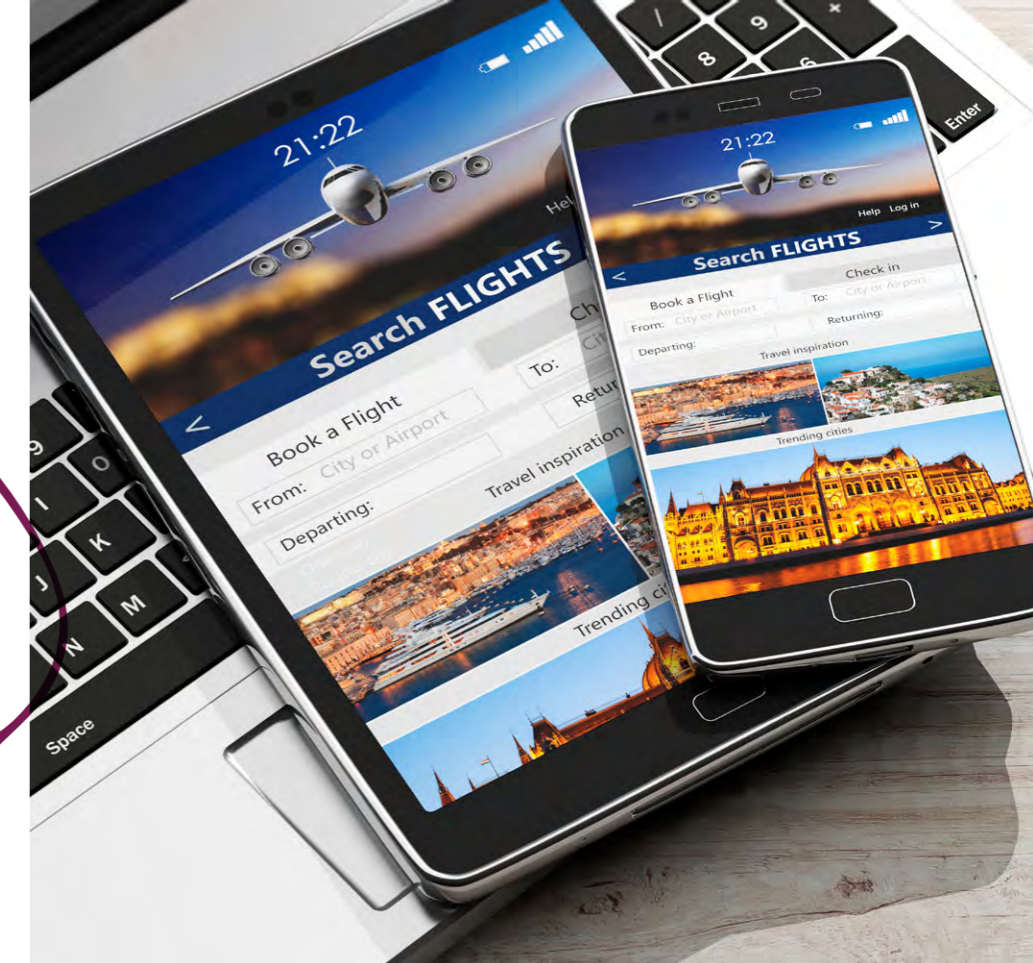
It begins at the inspiration stage, includes the post-booking/pre-departure period, and ends with the in-destination experience – and increasingly spreads into post-trip reviews on digital platforms and social media.

The customer journey is an umbrella term for the traveller’s end-to-end experience

There is a wide range of technology options to help travellers at each of the touchpoints on their journey.

This technology is constantly evolving, and implementing the latest permutation is an essential, but often expensive, necessity. Added to that is the cost of keeping staff fully trained and up to date.

The reward is increasing data about the passengers, and their needs or wants. Analysing this data can bring real efficiencies in time and cost, not to mention greatly enhancing the customer experience, and providing upsell opportunities that benefit both sides of the transaction.



It may be no surprise then to learn that a third of the sample (33%) identified data and analytics as a priority.

While data and analytics can help travel companies directly improve the customer journey, the insights gleaned from across an enterprise can boost efficiency across a number of functions.

As more companies embrace machine learning and artificial intelligence to help them unlock these insights, any data and analytics may provide travel companies with new revenue streams while – crucially – helping the traveller.

Artificial Intelligence (AI) is the area of computer science involved in teaching computers to think and act like a human being. We are all increasingly familiar with this in the form of online chat bots that can help when booking airline tickets or travel insurance.

Machine Learning is an important subset of AI that uses statistical analysis of incoming data to help machines improve their accuracy.





The “Customer Journey”...

Using technology to automate backoffice processes is one way that travel companies can close the gap by freeing up staff from routine administrative tasks

Payments are a key area...

One-in-five respondents (21%) specified payments as a target area. There has been much interest in both consumer and supplier payments over the past few years, and the relatively low response rate may suggest that most travel companies have already long prioritised this key area of the business.

Payment gateways, for example, allow a travel company to accept a range of options for travellers to pay for their trip, while innovations such as virtual credit cards and blockchain are easing the payment flows between suppliers and operators.

Contactless is king...

One solution consumers are increasingly comfortable with is contactless payment. Phone apps, wearables and cards using near field communications (NFC) have revolutionised payments at the point of sale (PoS).

This hands-off approach was boosted by the pandemic, and 17% of industry respondents are working to expand their existing technology in this area.

In October, Forbes reported that “The Pandemic Made Contactless Payments The New Normal”.

A Mastercard study claimed 79% of respondents in a survey had transitioned to contactless payments, citing “safety and cleanliness as key drivers”.

An indication of the switch is a rise from global contactless payment volumes of US\$1.05 trillion in 2019, to a projected US\$4.6 trillion by 2027, according to the survey.

Improving the back office...

More than a third of businesses (37%) are turning their attention to improving back-office processes through technology.

As restrictions are lifted, many travel companies are having to deal with pent-up demand with fewer staff. Recruiting replacements for people who were let go during the lockdowns and restrictions is a long-term challenge (see Chapter 5).

Using technology to automate back-office processes is one way that travel companies can close the gap by freeing up staff from routine administrative tasks. This will allow them to concentrate their skills on adding value elsewhere, perhaps at the personal level by bringing a genuine human touch to the ‘customer journey’.

Technology undoubtedly helps travel firms improve their customer experiences,

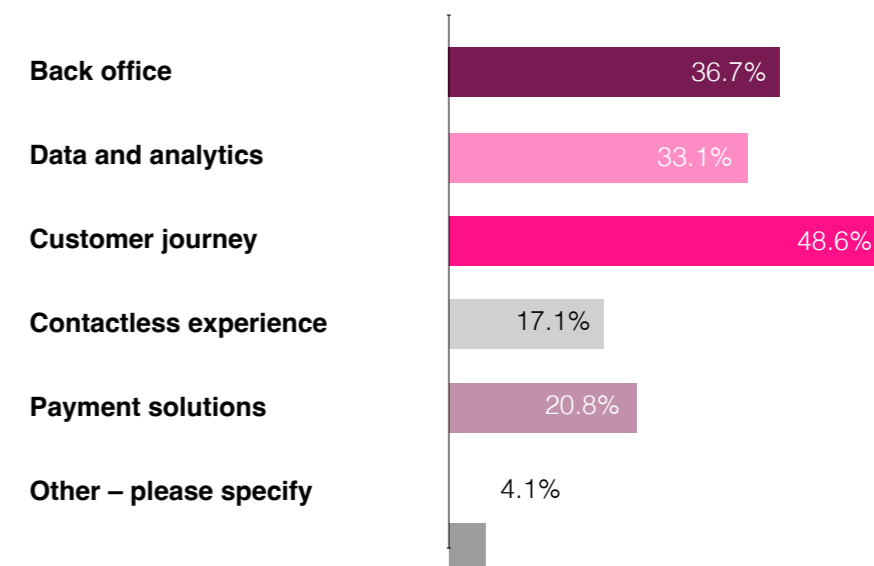
enhance internal processes and in turn boost their bottom line.

The industry is facing a critical moment where many businesses will be forced to decide which area of the business needs the biggest technology investment to define its position within the future of travel.

07.

In October, Forbes reported that “The Pandemic Made Contactless Payments The New Normal”

Trade
What are your organisation’s technology priorities?



Is Crypto the future?



08



Blockchain, proof-of-stake, proof-of-work, halving, forks, FOMO (Fear of Missing Out), decentralised finance (DeFi), and non-fungible tokens (NFTs)... recent years have introduced a whole new cryptocurrency vocabulary to us all.

Then the start of 2022 saw a precipitous fall in its value, leading Nobel Laureate Paul Krugman to suggest "cryptocurrencies are just a long-running Ponzi scheme".

However, our survey found a significant proportion of UK holidaymakers are interested in paying for travel using cryptocurrencies. Nearly one-in-four (23%) would definitely or maybe consider using cryptocurrencies to pay for their trip.

At the same time, almost three in ten (28%) of the overall sample admitted that they did not understand crypto enough to have an opinion. Of more concern to fans of digital currencies is that the balance (49%) were adamant that they would not pay for their trip using them.

Breaking the responses down by age gave more encouraging results for support of crypto currency.

Perhaps not surprisingly, the youngest respondents were the most likely to consider crypto as a payment option, with a net "yes" result of 47% from 18-24-year-olds. Among them, 18% were "definitely" interested and 29% said "maybe".

This age group was also the most informed about crypto in general, with only 17% saying they didn't know enough to comment.

Only 36%, the lowest such response from any age group, were actively not interested.

Age was certainly a major factor, with more than one-in-three (35%) of 55-64-year-olds admitting their ignorance of crypto. Among over-65s, a smaller figure (30%) said they were less informed about it, but this group were the least likely (4%) of all age groups to use it to pay for a holiday.

Consumer

Would you like to use crypto-currency to pay for a holiday?

No, not all	49.1%
Don't know enough about cryptocurrency	28.0%
NET: Yes	22.9%
Yes, maybe	15.0%
Yes, definitely	7.9%



Perhaps not surprisingly, the youngest respondents were the most likely to consider crypto as a payment option



Is Crypto the future?



A work in progress...

Recent research has shown that the majority of travel firms do not yet have the necessary infrastructure to handle crypto payments. Even crypto-friendly travel platforms report figures as low as 1% of transactions involving the medium.

AirBandB CEO Brian Chesky ran a Twitter poll in January 2022 where the top request from customers was for AirBandB to accept crypto payments for accommodation bookings. (Clear pricing displays, and a guest loyalty program were the next most popular suggestions.)

He said the company was looking into it but, like the industry as whole, adoption of crypto is a work in progress.

A major factor is the number of suppliers involved in the travel chain, many of whom still need to be paid in fiat money (i.e. hard currency or legal tender). Given the still high cost of every crypto currency transaction, and the extreme volatility of crypto exchange rates, such transfers in and out of crypto are a prohibitive cost.

In addition, there are major-costs involved in setting up, and maintaining, the secure technology involved, as well as training staff to use it.

However, the high fees (often from 20%-50% of revenues) charged by companies such as Airbnb or Uber make them prime targets for startups offering cheaper alternatives.

Many believe using blockchain technology, directly connecting consumers to suppliers and removing the central hub offered by these giants, will revolutionise their sectors.

Exactly when and how that will happen remains to be seen, but the interest shown by the emerging 18-35 age group confirms that the travel industry needs to continue keeping a keen eye on development in the crypto currency world.

The interest shown by the 18-35 age group confirms that the travel industry needs keep a keen eye on development in the crypto currency world.



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