



 Skyscanner

HORIZONS

Horizons

The outlook in 2023 as travellers redefine value

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A trusted partner

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Global recovery is around the corner



Despite some headwinds, travel's resurgence continues



The travel sector's recovery has continued to gain momentum in 2022. Against a backdrop of inflationary pressures and global macro-economic headwinds, global travel demand shows no sign of abating.

The World Travel and Tourism Council (WTTc) projects that Travel & Tourism GDP is set for a strong decade of growth and could reach 2019 levels by the end of 2023.

This positivity is reflected in recent airline financial results, with many reporting a strong H1, returning capacity, new routes and traveller demand for ancillaries and premium cabins.

Airfares are no longer about just the cheapest base fare. While price continues to be top of mind for travellers, they're increasingly searching for value and demanding greater ticket transparency to build packaged airfares that suit their needs.

Destinations are benefitting from enhanced global air connectivity as travellers embrace the range of places open to them once again. The recent long-awaited re-opening of key markets across Asia-Pacific is also welcome news for regional and international travel.

Embracing the propensity to travel

How can travel providers and destinations meet the demand and propensity to travel in 2023? Understanding traveller sentiment and early intent will be key.

This report unpacks and explores a combination of consumer survey and proprietary search and booking data to provide a unique view of how travellers are thinking about their plans for the next 12 months, including spend, destination type and purchase experience.

“2022 has not only marked a return to 2019 levels of travel demand in many parts of the world, but also demonstrated the resilience of the sector.



Travellers have shown a sustained desire to travel as networks are restored, as well as a willingness to upgrade their airfares. Despite current global economic pressures, there is reason for cautious optimism in 2023 as international travel continues its resurgence and travellers indicate their appetite to put their discretionary spend towards it. However, travel patterns will continue to vary as travellers increasingly look for value – and a mobile-first experience – to build itineraries and choose destinations that best suit their individual needs.”

Hugh Aitken
VP of Flights, Skyscanner

“Skyscanner’s invaluable insights help us get a glimpse into how recovery is taking shape.”

“For EMEA, the strong rebound of international travel, which at times even exceeds 2019 levels, is a testament to the hard work invested in maintaining strong brand visibility and driving demand when the time was right. In other markets, such as the Americas and APAC, the rapid return to near normal levels can be seen as a hugely positive milestone in the pathway to recovery.

Skyscanner’s invaluable insights help us to get a glimpse into how recovery is taking shape and which destinations are standing strong. It shows the resilience of traditionally strong routes, whilst patterns in volumes remind us of the need to keep a sharp eye on driving awareness and demand and adapting our message in a climate of economic uncertainty. The results in doing so speak for themselves. In an ever more competitive environment, keeping destination brands top of mind and relevant is key.”

Nicholas Hall

CEO, Digital Tourism Think Tank



“The Skyscanner Horizons report continues to identify the most thought-provoking themes facing the aviation and travel industry around the world. Traveller behaviour, in-depth analysis of demand and opportunities for airlines and destinations are just a few of the key elements captured within the report. Skyscanner’s direct access to travellers allows for clear foresight into the year ahead.

It is well documented that corporate travel has been significantly slower to recover from the impacts of the global COVID-19 pandemic. To see around a fifth of travellers exploring options to utilise increased budgets for additional ancillaries, including upgrades to higher fare classes, will have a greater impact on airlines’ ability to manage rising costs and ultimately provide improved services for travellers.”

Marco Navarria

Global Content & Marketing Director, CAPA



WTTC are predicting a full recovery by...

2023

World Travel and Tourism Council's
Travel & Tourism Economic Impact 2022 report



People are prioritising travel and airfare value in 2023

Though faced with a rising cost of living, people are still planning to invest in travel next year, from taking a greater number of trips to upgrading their airfares. But they remain price conscious.

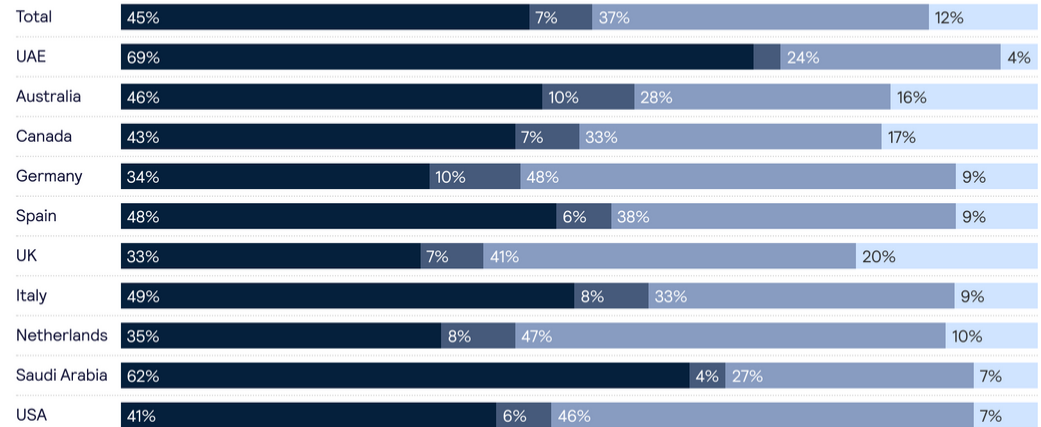
Globally, 41% of travellers plan to spend more on travel in 2023 compared to 2022

We conducted a survey of 11,000 travellers in 11 markets to understand their attitudes towards travel in 2023.

82% of travellers are planning to take more or the same number of trips abroad in 2023 compared to 2022, with nearly half (45%) planning to take more. Only 7% say they plan to travel less. 12% are undecided, rising to nearly 1 in 5 in Australia (16%), Canada (17%) and the UK (20%) – presenting opportunities for travel providers to convert those on the fence.

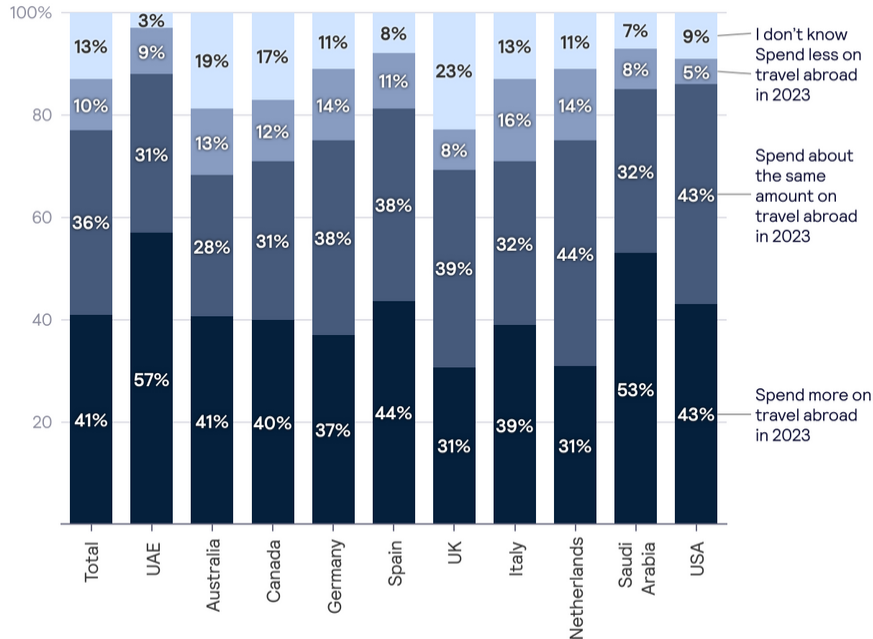
Travel propensity in 2023

● More ● Less ● The same ● I don't know yet



Q. Are you planning on holidaying abroad more, less or the same in 2023 vs 2022? n=11000

Travel spend in 2023



Globally, travellers plan to spend on average 31% more on travel in 2023 compared to 2022

Travel spend looks set to be prioritised in 2023 with three quarters (77%) of those surveyed saying they're planning to spend the same or more on trips abroad than they did in 2022, with almost half (41%) planning to spend more.

Over half of travellers from the UAE (57%) and Saudi Arabia (53%) want to spend more, compared to a third of travellers in Europe – with 37% of Germans and 31% in the UK upping their budgets. Across the Atlantic, 40% of Canadians and 43% of Americans plan to spend more next year.

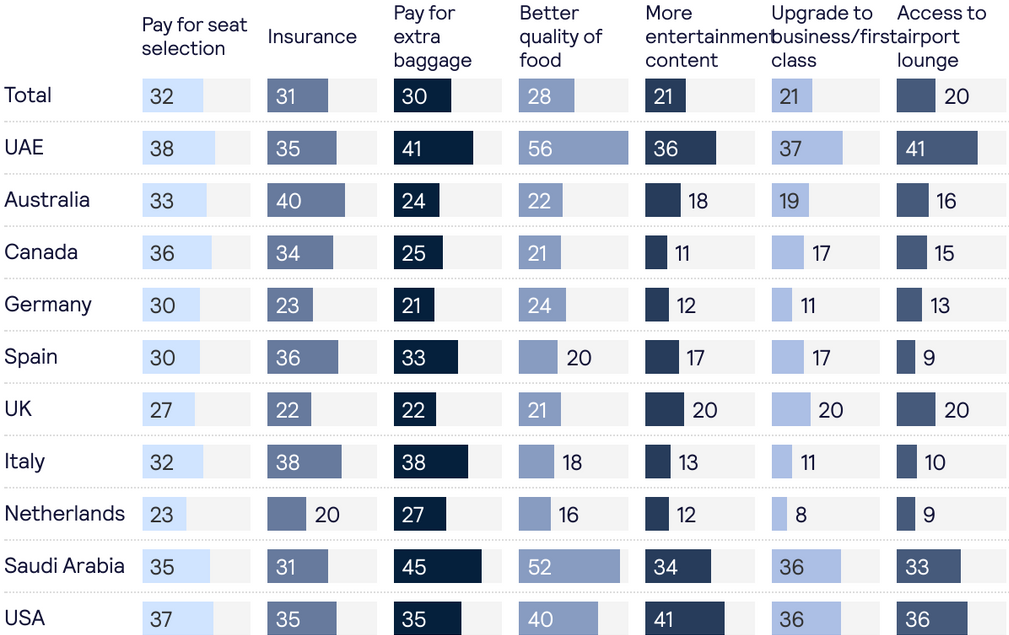
Q. Are you planning to spend more or less money (per person) on travel abroad in 2023 compared to 2022?
n=11000

When asked how they would spend their extra budget on upgrading their flight, the three most popular choices were:

- **Choosing their seats (32%)**
- **Buying insurance (31%)**
- **Adding extra baggage (30%)**

Around a fifth of travellers plan to upgrade their cabin class to business or first class, with over two-thirds of Americans, Saudi Arabians and those from the UAE likely to pay for a more expensive seat.

Ancillary spend



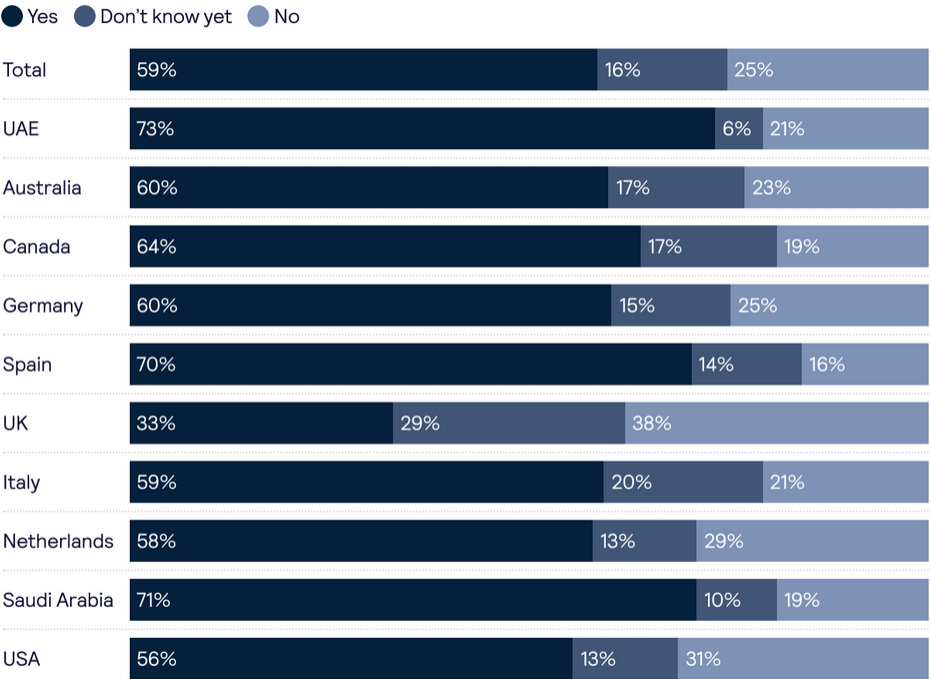
Q. Thinking about flying in 2023 how likely are you to spend money on any of the following flight upgrades?
(Select all that apply) n=11000

Travellers plan to spend on average 31%
more on travel in 2023 compared to 2022

31%



Are rising prices impacting travel plans?

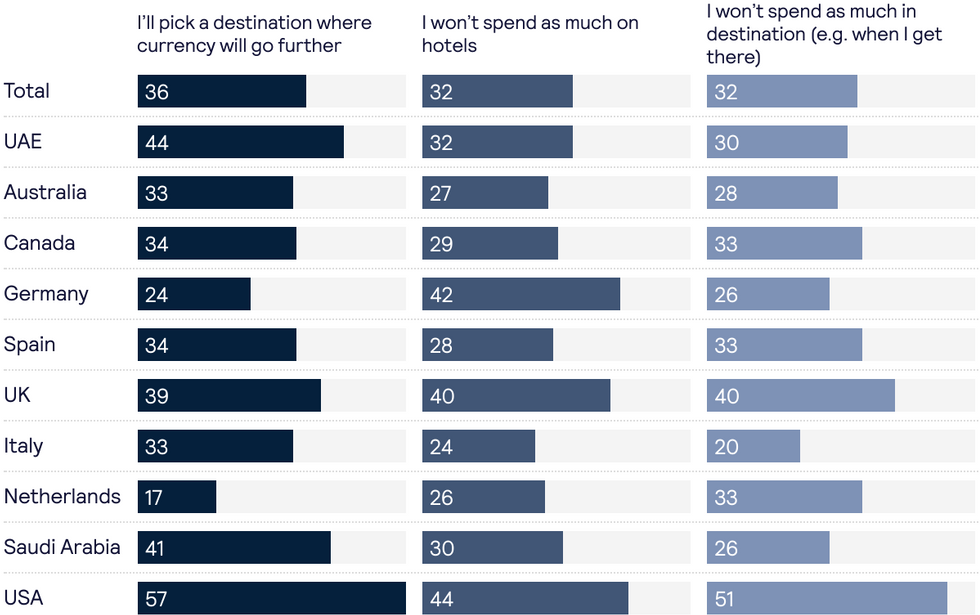


Q. Are the rising prices of everyday items impacting your plans to book an international holiday in 2023? n=11000

However, travellers are also looking to make their money go further in 2023 as the rising cost of living impacts trip-buying decisions.

Nearly two thirds (59%) said higher prices for everyday items were affecting their plans to book an international trip, with those from the UAE (73%), Saudi Arabia (71%), Spain (70%) and Canada (64%) the most affected, compared to 33% in the UK.

Impact of rising prices on travel plans



Q. How are rising prices impacting your plans to book a holiday abroad in 2023? (select all that apply) n=6408

When thinking about where they'd go and spending during their trip, 36% of travellers would pick a destination where their money goes further, 32% won't spend as much on their hotel and 32% will spend less during their time away.



Travellers are looking for value in airfares

There's no question that price has always been a key factor in the decision-making process for travellers – and this will continue in 2023 – but next year will mark a shift in the way they think about value.

More travellers are now considering aspects such as price accuracy and ticket transparency when they want to fly. As airlines have improved their retailing with a greater variety of bundled and unbundled products – where elements like seat selection and bags might not be included in most basic ticket options – travellers are increasingly taking control of their airfares to build packaged fares that give them the most value, based on their individual needs and budget.

Taking a sample of airlines and tracking ancillary upsells over time, the data shows that travellers are willing to pay to upgrade where it adds value to their trip, with significant increases across fare, baggage and seat selections between 2019 to 2022.

Skyscanner data shows that fare upselling has seen the most growth at +725% over this period, while seat selection and checked baggage have increased by +250% and +100% respectively.

Airfares are no longer just about the cheapest on offer. While most travellers will always be sensitive to price, people are now looking for value – based on their individual needs – and are increasingly upgrading their cabin, seat or baggage options. Being able to compare airfares, like for like and based on the total cost, will be important for travellers in 2023.

250%

increase in seat selection

725%

increase in fare upselling

100%

increase in baggage upgrades

International travel demand is closing in on 2019 levels

International travel is back. Although still behind 2019 levels, there are encouraging signs worldwide as the volume of trips either tracked above, followed closely behind or started gaining speed on three years ago.



Booking volumes for international travel from EMEA have been above 2019 levels since March

EMEA international travel is above 2019 levels

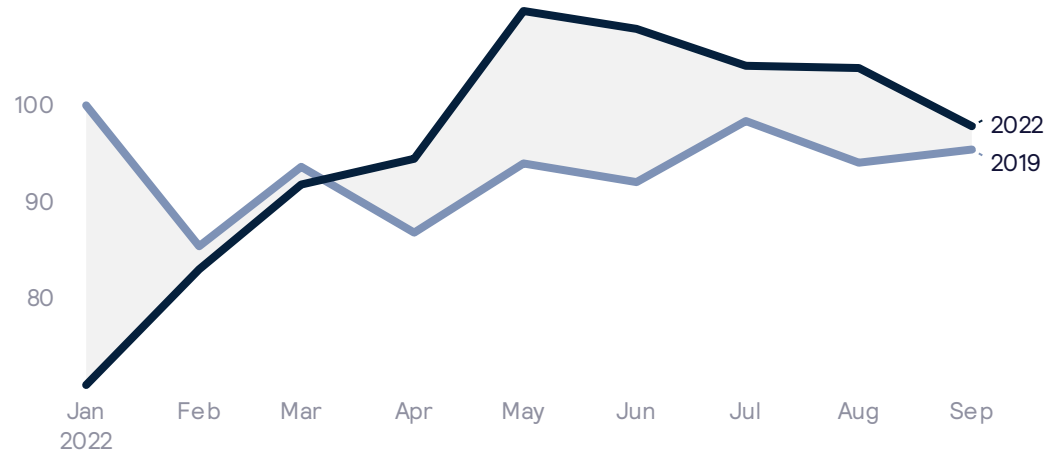
International travel accelerated rapidly from the start of the year and since early March has consistently hit higher levels than corresponding periods in 2019 – reaching its peak in May and staying high across the summer.

Markets and destinations driving this growth are the UK, Italy, Germany, Spain, the Netherlands, Israel and Greece. The top country pairs this year to date based on passenger volumes are:

1. UK to Spain
2. Germany to Spain
3. UK to United States
4. Italy to Spain
5. UK to Italy

International travel from EMEA

Based on booking volumes*



Index: Jan 2019 = 100

Trending destinations for travellers in EMEA



Beach and city destinations are firmly back on the agenda as travellers favour warmer climates, with the top trending destinations being:

1. Murcia, Spain
2. Jacksonville, USA
3. Oran, Algeria
4. Mexico City, Mexico
5. Trapani, Italy

International travel from AMER remains below 2019

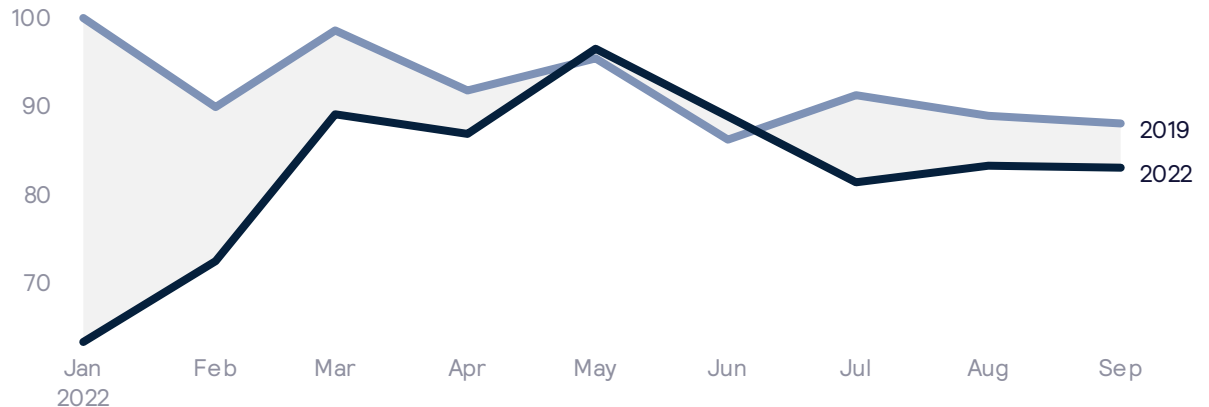
Unlike EMEA, international travel from the Americas has been below 2019 levels for much of the year – except for a short window in May and early June where passenger numbers were fractionally higher. However, it's tracking close to 2019 levels and the gap is closing as capacity continues to come back into the region overall.

Markets and destinations driving this growth are the United States, Brazil, Canada, Mexico and Colombia. The top country pairs this year to date based on passenger volumes are:

- 1. United States to Mexico**
- 2. Brazil to Portugal**
- 3. Brazil to United States**
- 4. Mexico to United States**
- 5. United States to India**

International travel from AMER

Based on booking volumes*



Index: Jan 2019 = 100

Trending destinations for travellers in AMER



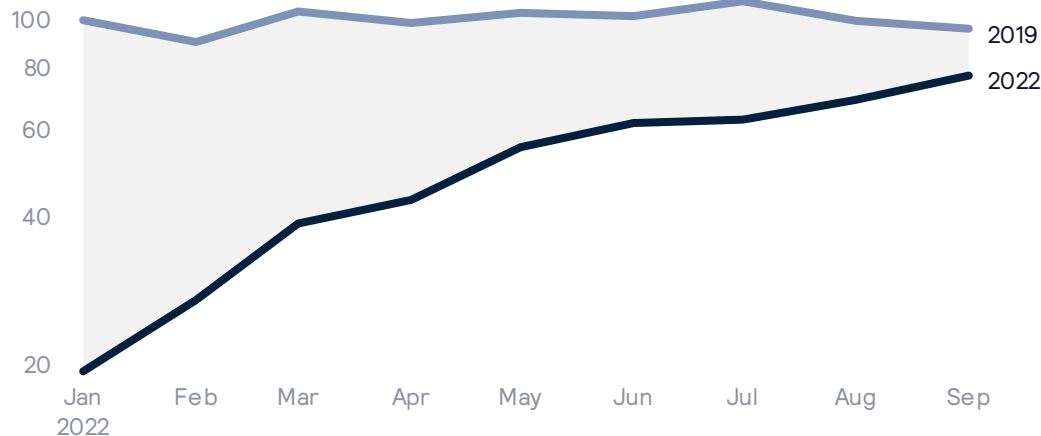
There's continued second city interest in the United States as travellers look beyond the usual big-hitters to explore lesser-known places. Alongside Pittsburgh in Pennsylvania and Minneapolis in Minnesota, trending destinations include:

1. Managua, Nicaragua
2. Pittsburgh, USA
3. Mexico City, Mexico
4. Minneapolis, USA
5. Amman, Jordan

International travel from APAC is rocketing back to normal

International travel from APAC

Based on booking volumes*



Index: Jan 2019 = 100

International travel from countries in APAC has climbed fast since the start of the year as COVID-19 restrictions eased and markets opened up. From what was a gulf in the number of trips taken at the start of the year, levels have almost reached what they were three years ago – but still lag behind other regions.

Markets and destinations driving this growth are India, South Korea, Australia, Japan and Thailand. The top country pairs this year to date based on passenger volumes are:

1. Japan to South Korea
2. Australia to India
3. South Korea to Vietnam
4. South Korea to Thailand
5. India to the UK





Trending destinations for travellers in APAC

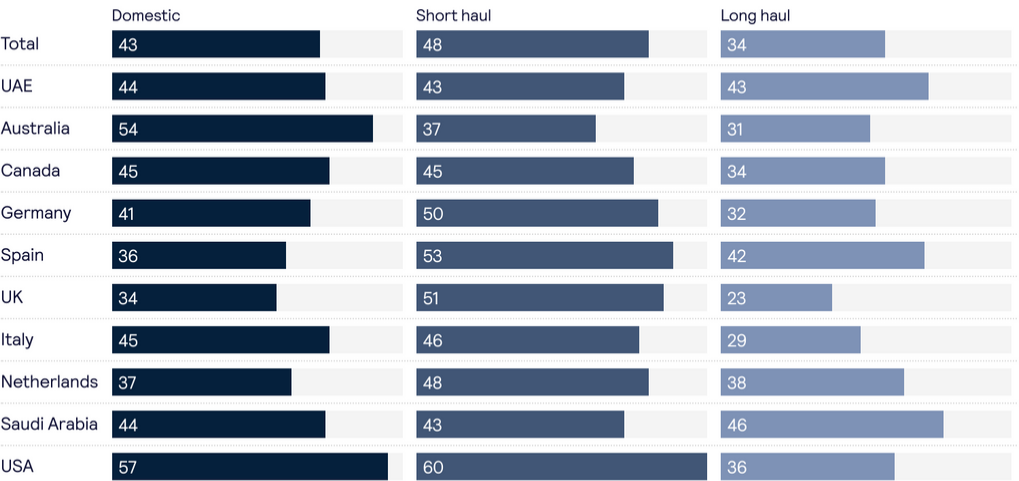
Exceptional demand from Indian travellers sees two destinations in India feature. Trending destinations outside of the region include Mexico City and Amman, Jordan:

1. Mexico City, Mexico
2. Chengdu, China
3. Ahmedabad, India
4. Amman, Jordan
5. Srinagar, India

Around half (48%) of travellers surveyed said they plan to fly short haul in 2023, compared to 43% domestic and a third (34%) long haul.

Travellers in the UAE (43%), Spain (42%), the Netherlands (38%) and Saudi Arabia (46%) look set to travel further afield, with Australians (54%) and Americans (57%) leaning more towards domestic travel and Spanish (53%), Americans (60%) and UK travellers (51%) preferring short haul.

2023 haul type preference



Q. Are you planning to travel domestically, short haul (5hrs) or long haul (+5hrs) in 2023? Tick all that apply n=11000



Top 5 destinations per market

EMEA

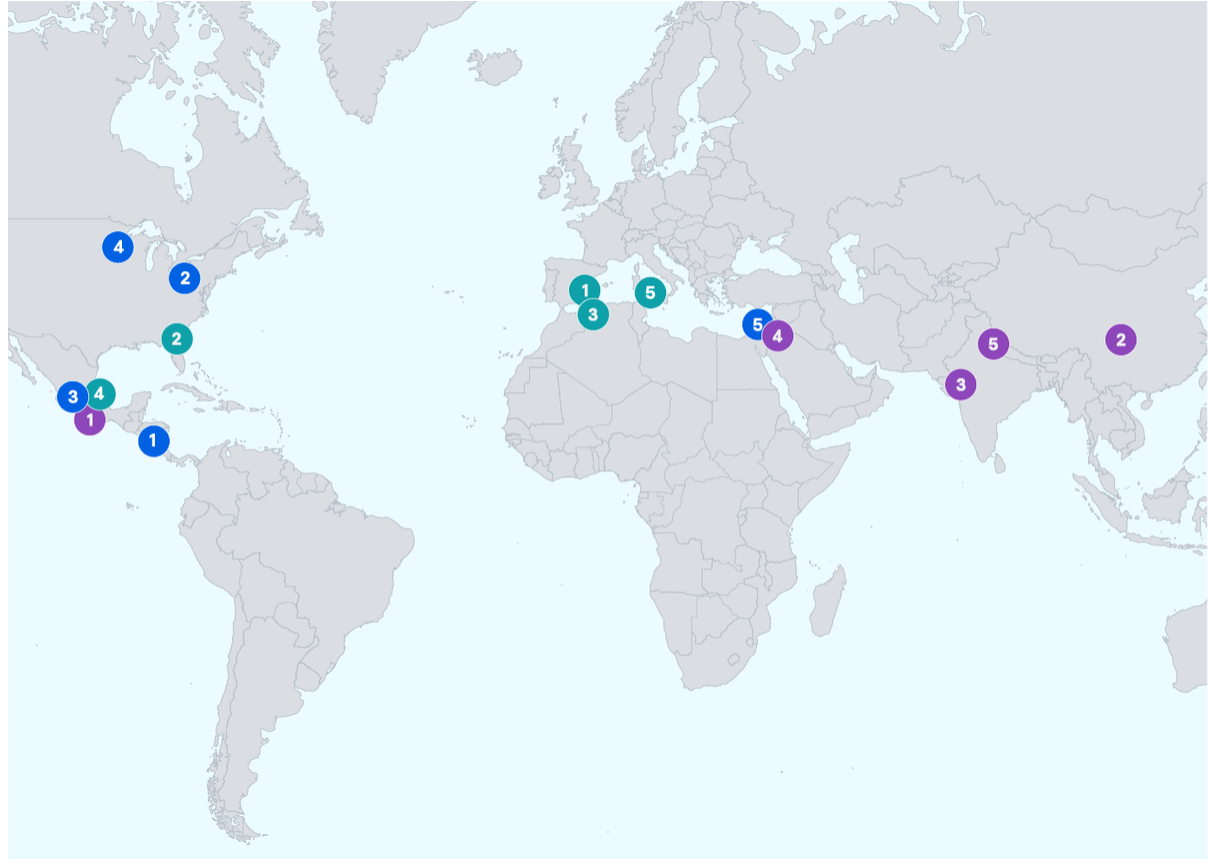
- 1 Murcia, Spain
- 2 Jacksonville, USA
- 3 Oran, Algeria
- 4 Mexico City, Mexico
- 5 Trapani, Italy

AMER

- 1 Managua, Nicaragua
- 2 Pittsburgh, USA
- 3 Mexico City, Mexico
- 4 Minneapolis, USA
- 5 Amman, Jordan

APAC

- 1 Mexico City, Mexico
- 2 Chengdu, China
- 3 Ahmedabad, India
- 4 Amman, Jordan
- 5 Srinagar, India



Mobile's resurgence as the default device for planning and booking

Travellers want easier, more convenient ways to book trips – using their mobiles to make purchases like they do for other parts of their lives.



Skyscanner's mobile users grew 50% in the first six months of 2022.

Since the start of 2022, the volume of travellers visiting Skyscanner via a mobile device increased significantly. By 1 July, mobile users had grown by 50% in six months.

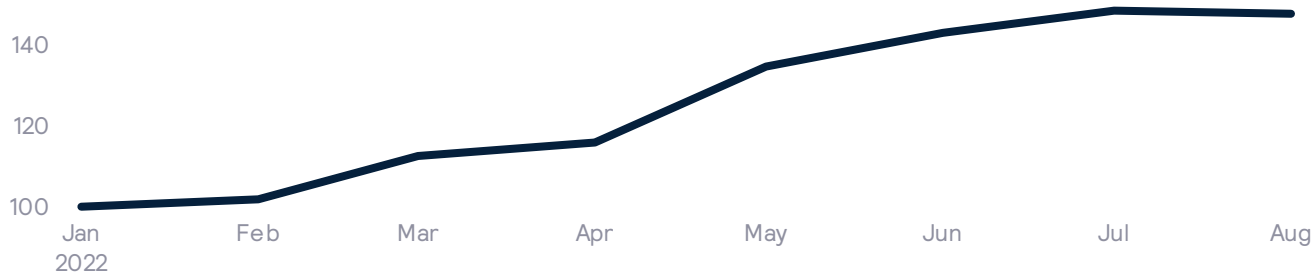
The rapid growth in the return of mobile users is indicative of a pre-pandemic industry trend – accelerated by pandemic browsing habits – as more travellers choose either mobile web or app as their preferred method of travel planning and booking.

Large numbers of travellers now start their planning journey on mobile. In Q3 2022, over three quarters of travellers coming to Skyscanner did so via a mobile device, a higher number compared to the same period in 2019. As they move down the travel funnel towards more complex activities that require a lot of comparison or sharing sensitive data, they have traditionally moved away from mobile towards desktop to book.

But now, more trips are fully researched, planned and booked on mobile devices as the travel industry begins to catch up with other sectors by offering mobile-first solutions that make it easier and more convenient to research, plan and book on a phone.

Mobile users accessing Skyscanner platforms in 2022

App and mweb users



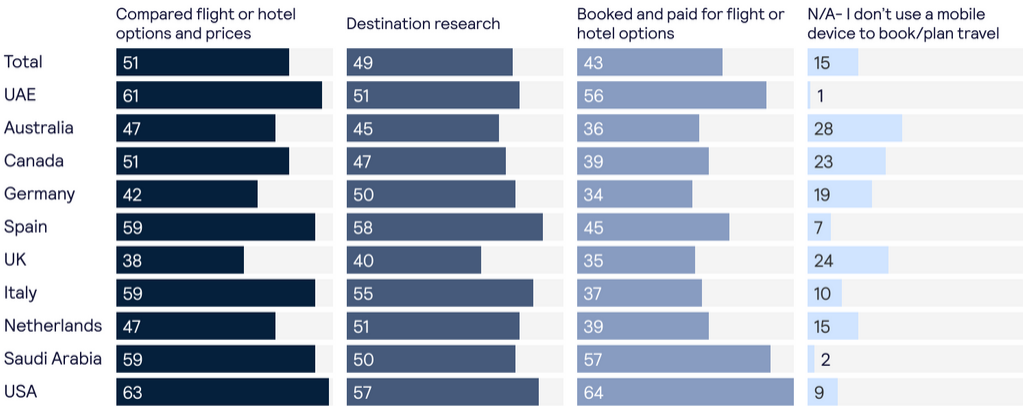
Index: Jan 2022 = 100



Half of survey respondents said they had compared flight or hotel options (51%) and conducted destination research (49%) on a mobile device, while 43% indicated they had booked and paid for flights or hotels.

Those in the UAE (56%), Saudi Arabia (57%) and the US (64%) are most likely to book travel on a mobile device. Only around a quarter of Australians (28%), UK travellers (24%) and Canadians (23%) said they don't use a mobile device to plan or book travel.

Mobile device actions

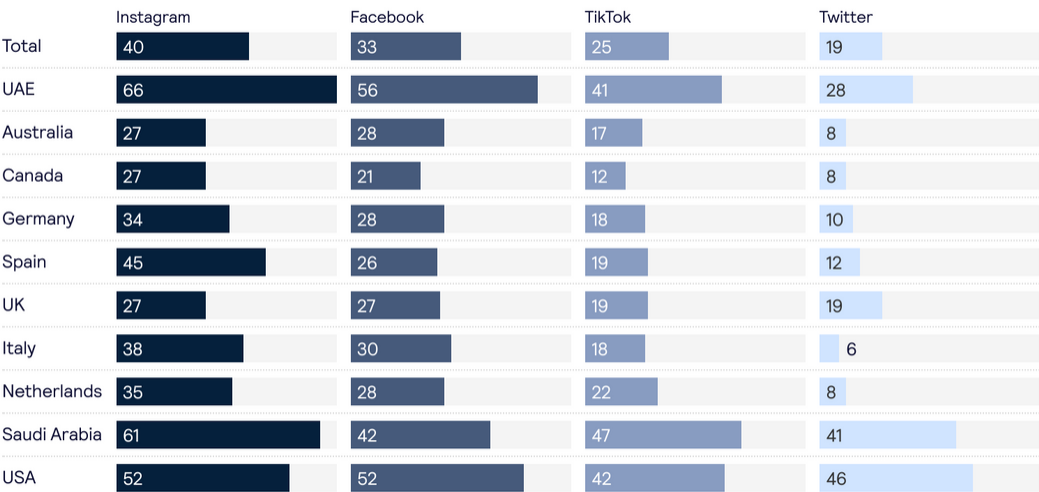


Q. Which of the following travel planning and booking actions have you done on a mobile device (phone, tablet) in the past? (Select all that apply) n=11000

Travellers search for inspiration on social media

Instagram is the most popular social network with 40% of survey respondents using the platform for inspiration. Facebook is next with 33% and TikTok third at 20%. UAE, Saudi Arabian and US travellers are most likely to use social media networks, including Twitter, to research and book trips.

Influence of social media platforms



Q. Which of the following do you use as inspiration for travel? (Select all that apply) n=11000

Fifty percent growth in Skyscanner mobile
users in the first six months of 2022

50%



A trusted partner

We're acting as a trusted advisor to our partners as travel continues its path to recovery.



- Over 94 million unique users a month
- 35% YoY reachable audience growth
- 52 global markets



Our global presence gives us deep insight into changing traveller behaviour and destination trends in almost every market, and we share these with our partners every day to help them embrace new opportunities.

As the world's leading flights, hotels and car hire search site – with currently 94 million+ unique users a month – we offer a range of products and services to help businesses connect with travellers and grow their brand.

Our ads reach people in the planning and consideration stages to support and inspire travellers as they look to choose a destination or provider, while our data products provide actionable insights into traveller behaviour and market trends to help you make smarter, faster decisions.

Methodology

Analysis of Skyscanner search and redirect data accurate as on 2 November 2022.

Consumer survey conducted between 26 October 22 and 10 November 2022, n=11,000 in UK, US, Canada, Australia, Italy, Spain, France, Germany, Netherlands, UAE and Saudi Arabia.

We have over 94 million unique users every month

94M





Check out our insights hub to discover more travel trend reports and case studies on how we're helping businesses make the most of travel's resurgence.

partners.skyscanner.net/news-case-studies