

Travel budgets on the rise in 2014

TripAdvisor has announced results of bi-annual TripBarometer study, revealing global travel trends based on responses from more than 61,000 respondents



TripAdvisor, the travel site, has released the results of the third installment of TripBarometer, a global accommodation and traveller survey. This biannual study, conducted on behalf of TripAdvisor by independent research firm Ipsos, highlights country, regional and global travel trends, according to more than 61,000 traveller and hoteliers around the world, with 849 respondents from South Africa. Revealing changes in consumer spending plans and worldwide travel patterns, the TripBarometer also reports behavioral differences in planning and booking habits of travellers at different life stages.

With South Africa increasingly regarded as a top travel destination, appearing on 'dream destination' lists for travellers from Austria, Germany, France, Switzerland and India, TripAdvisor recently launched a local domain in South Africa.

South African findings included

Hence, the results of the latest TripBarometer study include South African findings for the first time, and paint a positive picture for the global travel industry. Overall, travellers are planning to spend more on their holidays in 2014 with the average annual traveller spend rising from \$5,955 in 2013 to \$6,136 for this year, an increase of 3%. South Africans are also upping their budgets - South African respondents are planning the biggest increase in annual spend, from R26,207.73 in 2013 to R34,163.68 for this year.

The proportion of travellers planning to travel more has also increased across almost all markets. South Africans are the most likely to be increasing international travel this year with 52% planning an international trip in 2014 (up from 35% in 2013) - an overall increase of 17%.

South Africans are still behind the global average however - this year 77% of travellers worldwide plan to travel internationally, up 12% compared to 2013 (65%).

Increases in travel budgets, travel plans

Domestic travel is also on the rise, both internationally and in South Africa. 90% of global travellers are planning to travel domestically (up from 87% in 2013). South Africans are more likely than average to be planning domestic travel in 2014, with 93% of respondents saying they will take a domestic trip this year, up from 85% in 2013.

Travellers spending more and hoteliers raising rates in South Africa

South African travellers are planning the biggest increase in their travel budgets this year, up 30% from 2013, followed by Indonesians, Australians and Malaysians. Despite relatively low optimism in the economy (only 11% of South African respondents are spending more on travel because they feel more confident about the economy), travellers are not willing to give up their holidays, with many opting to hunt for bargains and make sacrifices in other areas of their lives in order to protect their travel spend. 42% of South Africans say they are spending more this year, because they have been 'saving up for travel'.

The increases in travel budgets and travel plans are reflected in business confidence with 70% of hoteliers saying they are optimistic about their profitability in the next year (up from 67% in 2013). This number is even higher in South Africa, with 84% of hoteliers reporting feeling confident about profitability in 2014.

In fact, three out of four (75%) South African hoteliers are planning to increase room rates in 2014, much higher than the global average of 52%. This is despite more than half (53%) of South African hoteliers believing the national economy will negatively impact them.

Hunt for a bargain

The tendency to do more research in order to find the best bargain is strong amongst travellers. The majority (91%) say their choice of holiday is determined by the availability of a good deal or special offer, and in South Africa that number rises to 97%. In fact, the majority of TripBarometer respondents say that 'price' (95%) and 'special offers' (44%) are important decision-making factors when booking their accommodation.

Currency fluctuations have an impact on travel plans for just under half of global TripBarometer respondents (44%), but in South Africa, 79% of respondents state that currency fluctuations are impacting their travel plans. Despite this, those affected are still planning to travel. Of those South African travellers that say currency fluctuation will impact them, 46% will research more to find the best price.

In contrast, hoteliers place higher importance on online reviews than price in terms of influencing travellers' booking decisions. They perceive that online reviews (64%) to have the biggest impact when travellers book accommodation, followed by price (50%) and recommendations from friends and family (45%). The results suggest that although hoteliers know price is an important factor, they believe that the room rate combined with a good online reputation will ultimately influence traveller-booking decisions.

"Exploration is back on the agenda in 2014, with more travellers planning international trips this year," said Marc Charron, President, TripAdvisor for Business. "TripBarometer offers up insights into the needs and behaviours of consumers in today's rapidly changing travel marketplace, providing valuable insights for hospitality businesses looking to attract new audiences. Travellers are upping their budgets but they are looking for bargains, expecting their accommodation of choice to deliver on value. Special offers, complimentary amenities and exceptional service are all going to be important factors in swaying potential guests."

View the full TripBarometer report, infographic and global findings at www.tripadvisor.co.za/tripbarometer.

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