

## Financial pressures hinder Europeans' travel plans

- A Monitor Desk Report

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The number of Europeans planning to take trips from June to November 2023 decreased by 4pc compared to last year but still remains high at 69pc.

Austrians, Swiss, and Germans stand out as the most hesitant holidaymakers, with 45pc, 56pc, and 62pc of respondents respectively having travel plans in the next months. In contrast, the French (80pc), the Belgians (79pc) and the British (75pc) are most eager to travel over the same period.

Although the slump in European travel intentions can be explained by a slowdown in the pent-up demand after Covid-19, the Monitoring Sentiment for Domestic and Intra-European Travel – Wave 16 study<sup>1</sup> by the European Travel Commission (ETC) suggests financial pressures are also influencing holidaymakers.

Commenting on the findings, Miguel Sanz, President of ETC, stated: “Our latest data shows that concerns over inflation and personal finances persist among European travellers. Nevertheless, Europeans are still eager to travel in the upcoming months. Many are hunting for alternative travel choices, looking for more affordable experiences or considering off-season travel to stretch their budgets. We advise destinations and businesses to capitalise on these trends and assist travellers in going off the beaten track and travelling in the less busy months”.

Europeans opt for off-season travel and more affordable destinations

Nearly a quarter (24pc) of European travellers are worried about the overall rise of trip costs (up by 6pc vs 2022), while 17pc are concerned with the economic situation and their finances.

To cope with the rising travel expenses, Europeans are adapting behaviours prior to reaching their destination and upon arrival. 17pc aim to travel off-season to get better prices, and 14pc plan to take vacations in destinations they perceive as more affordable. European travellers are also seeking cheaper airfares, with 13pc aiming to book flights earlier than usual to get the best deal and 12pc planning to fly low-cost airlines.

Meanwhile, Europeans also continue to adapt their in-destination behaviour to fit in the available budgets: 17pc will cut shopping expenses, 15pc will search out cheaper restaurants, and 15pc will choose less expensive accommodation establishments.

Other factors causing worries among European travellers are Russia's ongoing war in Ukraine (12pc), overcrowded tourist destinations (9pc), booking and cancellation policies (9pc) and possible extreme weather conditions (8pc).

Pleasant weather and attractive deals shape Europeans' travel itineraries

Europe remains the first choice of respondents, with 59pc planning to embark on a holiday within the region, while 12pc aim to take a trip outside of Europe (up by 3pc since 2022). Meanwhile, the popularity of domestic travel has dropped by 6pc, with just 26pc of travellers opting for a "staycation" in the next months.

Spain remains the most popular destination for travellers, with 8pc planning a vacation there, followed by France (7pc), Italy (7pc), Greece (5pc) and Croatia (5pc). Still, Mediterranean destinations have seen a 10pc drop in visitors aiming to travel there from last year. On the contrary, destinations like the Czech Republic, Bulgaria, Ireland, and Denmark are experiencing a surge in popularity. This can be attributed to travellers seeking out less crowded destinations, and milder temperatures.

Events and business travel regain ground

Despite rising costs of living, European travellers are planning multiple trips, with 33pc aiming to travel twice and 26pc at least three times this summer and autumn. Another 30pc of respondents are thinking of taking only one trip (4pc lower than last year). In terms of duration, most European travellers (36pc) are choosing to spend less than a week (four-six nights) in their destination, while 27pc aim to stay seven-nine nights.

Travelling to a destination for an event is rising in popularity, with 10pc of European travellers planning to do this between June and November 2023, up from 4pc in 2022. Additionally, there has been a 4% increase in business travel, with 9pc of respondents intending to embark on a work-related trip. Despite a 6pc decline from the same period in 2022, travelling for leisure remains the top choice for 68pc of Europeans.