



The Silver Lining: 5 Lessons Learned from 2020 Travel USA®

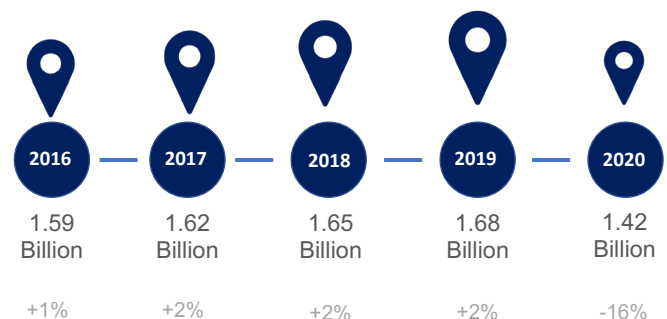
Destinations International is proud to partner with Longwoods International to release this White Paper with data from the 2020 Travel USA® report.

Destinations International and Longwoods International have a partnership that ensures Destinations International members have access to affordable, quality research insights and data. Longwoods International's Travel USA® visitor research is an important part of this partnership, in which Destinations International members can subscribe to this study at member-exclusive prices. Not only does Longwoods International give Destinations International members access to quality research and insights at a tremendous value, but a portion of the proceeds from every participating member study is donated to the Destinations International Foundation. The foundation helps with a variety of initiatives aimed to advancing the destination organization industry through education, research and best practices. To date, this partnership has raised over \$150,000 for the Destinations International Foundation via member participation!

To say that 2020 was a challenging year for the travel industry is an understatement. With the COVID-19 pandemic causing swings in the market and stark declines in travel across the country, making the insights from studying American domestic overnight visitation essential. Understanding the visitor of 2020 and 2021 is the bridge to the return to the record-high visitation and traveler spending from 2019. And while domestic overnight travel contracted in 2020 by 15.8% nationally to 1.42 billion trips, travel did indeed happen.

Although both day and overnight travel saw declines in 2020, for many U.S. destinations, day trips played a slightly stronger role in visitation than they'd seen in prior years. Overnight visitation continues to be the key

for the full post-COVID-19 recovery, as the overnight visitor stays longer and spends more in destination, and many stay in paid accommodations while on their trips.



Amir Eylon, President & CEO, Longwoods International says: "The changes seen in 2020 will in many ways characterize the American

travel market throughout the recovery providing opportunities for destinations to expand to new market segments and bring back long-haul travel to their destinations.”

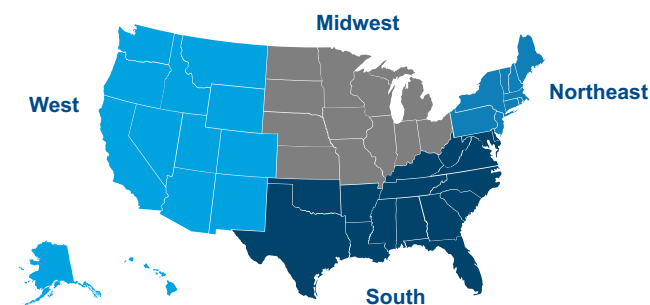
Some longstanding truths of the domestic travel market resounded in 2020, but many things newly characterized the travel market. To assist our industry in successfully navigating the coming months, Longwoods has identified five important market shifts emerging from the 2020 Travel USA® data that provide opportunities as the travel and tourism industry heads to stabilization.

Longwoods International’s Travel USA® is the nation’s largest and longest ongoing study of domestic travel in the United States. Established in 1990, our annual trips database contains detailed information on an average of 300,000 overnight and day trips annually.

LESSON 1 – THE STORY ISN’T NATIONAL, BUT REGIONAL

After years of steady growth, overnight domestic visitation in the U.S. fell in 2020 to 1.42 billion trips, a decline nationwide of 15.8%. However, these declines were not consistent across the U.S. The regional variations for 2020 show that while all regions experienced declines in travel, some are looking at a shorter path to recovery.

TRAVEL USA REGIONS



All regions saw notable declines in overnight travel, but it was the Southern destinations

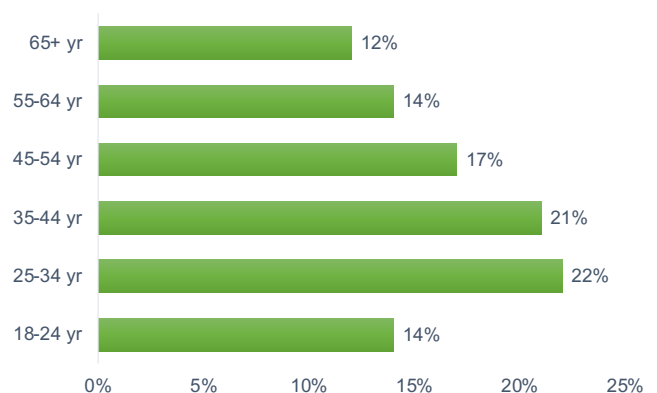
that saw the smallest decline in overnight visitation – at 8.9%. What does this mean? Likely the coupling of shorter shutdown times with lessened restrictions such as indoor dining bans and quarantine requirements led to softer rates of declines in travel. Increased availability of attractions and activities in the region meant the South, although down in visitation counts, saw a lesser decline than those less available regions.

With visitors heading outdoors and hitting the roads, access to, drive proximity, and availability of activities and attractions such as the outdoors helped to sustain the South and the West. On average, these regions suffered less from COVID-19 declines than the Northeast, which saw a 31.4% drop in 2020.

LESSON 2 – SWING TOWARDS YOUNGER TRAVELERS

2020 was a year of uncertainties for all travelers, but more so for those 65 and older who decided to stay at home during the pandemic. This group lost 6 points of share of overnight travelers in 2020, falling to 12%.

AGE SEGMENT COMPOSITION



That same hesitation wasn’t evidenced in the 18-24 age brackets. This group is up 4 points, now comprising 14% of overnight visitors in 2020.

While more of the older demographics stayed at home this past year, younger travelers ventured out to new destinations. Of the

“Although many younger travelers have limited discretionary income now, they have many years of increased professional success and visitation ahead of them. Keeping on their leisure travel consideration list is important for the long-term growth prospects for destinations.”

- Amir Eylon,
President & CEO of Longwoods International

18 – 24-year-old visitors in 2020, 43% hadn’t been to the state of their destination on a trip during the previous 12 months. In fact, there’s a 14-point gap in repeat visitation between this group and the 65+ age bracket.

| Age Bracket | Visited State of Destination during the Previous 12 Months |
|-------------|--|
| 18-24 | 57% |
| 25-34 | 63% |
| 35-44 | 67% |
| 45-54 | 68% |
| 55-64 | 71% |
| 65+ | 71% |

The softening of travel by retirees is not a trend; rather at this time, it is a single year shift in the market as a reaction to the pandemic. This is a strong repeat visitation group, one that already had their favorite destinations and have been patronizing them over time and still constitutes 12% of travelers in the U.S. In contrast, 2020 saw more 18 – 24-year-olds experiencing new destinations. This is a good sign for the future, as the best predictor for future visitation to a domestic destination is past visitation.

LESSON 3 – THE YEAR OF THE ROAD TRIP

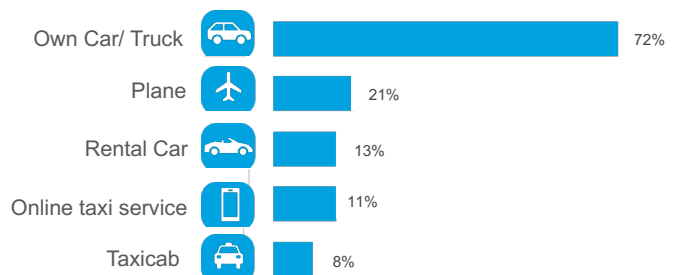
2020 was the year of the road trip, with American domestic travelers opting to hit the roads rather than boarding commercial flights.

Almost three-fourths (72%) of all American domestic trips involved travelers driving their own car or truck, and another 13% using rental cars, to get to the destination. While this has always been a primary mode of transportation, this option expanded due to concerns over health and safety coupled with lower gas prices. Only 21% of domestic overnight trips involved a commercial flight, which remained constant across all quarters for the year.

LESSON 4 – NEARLY HALF OF AMERICANS HEADED OUTDOORS ON VACATION

With concerns over health and safety, American travelers felt more comfortable, and participated in outdoor activities at greater rates than has been seen in prior years. 48% of American travelers in 2020 took part in outdoor activities on their overnight trip. This is a 10-point increase over the prior year.

TRANSPORTATION USED TO GET TO DESTINATION



In 2020 Longwoods International expanded the list of options focused on top activity

Overnight travelers are participating in many outdoor activities that can be found in both urban and rural settings.

- Amir Eylon,

President & CEO of Longwoods International

categories such as food choices, shopping and outdoors and entertainment for respondents to choose from in the Travel USA® survey, allowing for a greater depth of detail into these travel activities.

In 2020 travelers not only preferred to be outdoors, but they enjoyed their outdoor experiences, participating in a range of outdoor activities while on overnight trips:

| Outdoor Activity | % of 2020 Overnight Trips Including |
|-------------------------|-------------------------------------|
| Swimming | 12% |
| Beach/waterfront | 11% |
| Local parks/playgrounds | 9% |
| Hiking/backpacking | 9% |
| National/state park | 8% |

LESSON 5 – MORE LAST-MINUTE TRIPS

An interesting thing happened in 2020 regarding trip planning. Despite the shutdowns, business closures, and varying regulations governing the opening and availability of restaurants, attractions, and events, the share of last-minute trips increased. While Americans may have had more time at home to dream and be inspired about travel, we saw them spending less time in the actual planning phase, and they were more likely to take that spontaneous excursion.

In 2020, 21% of all overnight trips involved no advance planning. This is up seven points from 2019's 14%. Although the vast majority of these last-minute trippers used their own vehicle and went to a place they had visited previously, the products and their availability in destinations

across America did change. Yet more travelers simply took a chance and decided to get away without any preparation or research.

CONCLUSIONS

Domestic travel was down by double digits in 2020, however travel did indeed happen. For many destinations, the visitor and trip of 2020 looks vastly different from their long-held knowns about their market. In many ways, visitors became invisible to traditional destination measurement. While an estimated 1.42 billion overnight trips were taken by Americans in 2020, it was often travel activity that generated fewer transactions than usual. Americans took to the outdoors, day trippers dominated for many destinations, and overnight travelers weren't necessarily staying at paid accommodations. This means a lot of travelers were 'unseen' where it matters most, on the balance sheets of local businesses.

While for many destinations 2020 was the bottom in terms of visitation, which they will use as the baseline for gauging recovery, for all of us the traveler and trips that defined 2020 will be the bridge as the market continues to stabilize through the full recovery. Many of the travel patterns of 2020 will characterize the market of 2021 and beyond as Americans return to travel.

KEY TAKEAWAYS

- 1. Regions Differ:** The declines and shifts in the travel market varied regionally and were unique to each destination. It is important to see how these destinations and regions

are uniquely positioned for recovery as strategies need to reflect these points of differentiation.

2. Swing toward younger travelers: Younger Americans took to the roads in 2020, visiting new destinations, and older travelers will come back. Grow the emerging markets for young travelers, as they have the opportunity to turn into repeat visitors and remind older travel segments to come back as they return to the roads.

3. The year of the road trip: The road trip has been an icon of American travel and will continue to be an American tradition that has lasting value for U.S. destinations.

4. Americans went outdoors in 2020: Build on the momentum of outdoor enthusiasm to keep Americans enjoying the country's natural resources.

5. More last-minute trips: Remind travelers how easy a destination is for a last-minute getaway to stay top-of-mind when they're looking for an immediate travel experience.

Travel USA® updates on the American domestic travel market will be shared on a quarterly basis with the travel industry to provide the latest insights into the domestic travel market. 2020 will have both fleeting and lasting implications for the travel industry, and through this ongoing national research, we will continue to inform American destinations as they navigate the recovery of American domestic travel. We look forward to providing these ongoing updates.

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Visit: [Longwoods-intl.com](https://www.longwoods-intl.com)

Email: info@longwoods-intl.com