

Media release

Rising Costs Emerge as Primary Challenge for Travelers this Summer

International Vacation Confidence Index from Allianz Partners finds that while travel confidence is high, more people are planning to staycation than travel abroad this summer, despite Covid-19 restrictions lifting

Paris, 8th June 2022

As the world begins to emerge from Covid-19 restrictions, a new, monetary obstacle has arisen, imposing a different restriction on households. According to new research from Allianz Partners, for the first summer edition of the International Vacation Confidence Index, the uncertain economic situation poses the main challenge for travelers this summer.

The research, which was carried out by OpinionWay on behalf of Allianz Partners, surveyed 9,107 people across Austria, France, Germany, Italy, Spain, Netherlands, Switzerland, UK and USA, with the aim of gaining an insight into consumer trust and confidence levels in travel ahead of the 2022 summer vacation period and to identify the main challenges facing travelers this summer.

While the impact of the pandemic on daily life seems to be receding in most countries around the world, the research finds that confidence in the ability to travel is up (77%) compared to last winter (58%). However, half of respondents (50%) say the probable increase in travel costs might push them to downscale their summer getaways this year. Similarly, almost half (47%) say that the state of their personal finances could mean they'll need to downgrade their ambitions for their summer vacation. Meanwhile, of those who are not planning any summer vacation this year, the number one reason cited by respondents is that they can't afford to, due to rising cost of living and travel.

Concern over the ongoing health crisis is the second most likely obstacle to the smooth execution of summer vacations (45%). This is ahead of concerns regarding the geopolitical situation with the war in Ukraine (42%), along with personal (43%) and professional (32%) obligations.

Key Findings:

- Travel intentions are high in all countries surveyed, together with the level of confidence to be able to travel and the importance placed on summer vacation.
- The economic situation is on everyone's minds: it is the primary reason stated by those who will stay home this summer but also the primary source of concern for those who

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will go on vacation. The health crisis and the geopolitical crisis are of secondary importance in almost all countries.

- Despite inflation, the budgets anticipated for summer vacations remain fairly high and similar to those seen last winter during the first wave of the International Travel Confidence Index.

Staycations are here to stay

Covid-19 forced the borders of many countries to close and as such, those seeking a vacation began to explore their own countries. While our worlds became physically smaller, our home countries became more attractive than ever before and this trend is here to stay, despite the re-opening of borders. Italy (81%), Spain (75%) and the US (67%) are leading the way with most of those surveyed planning on travelling within their country for their summer vacation this year. In Austria (58%) and Switzerland (57%) respondents are primarily considering traveling abroad.

The economy is playing a big role in travel intentions with close to half (43%) of respondents who are not planning on leaving the country quoting the economy as the main reason for this. Over a quarter (27%) say they cannot travel abroad because of the rise in prices and a further 16% prefer saving their money.

The impact of the cost of living on summer vacation budgets

The anticipated average budget among Americans for summer vacations this year is by far the highest, at €3,061 (\$3,222). However, over half (57%) say the rise in prices could mean they'll be forced to revise their budgets to spend less. While almost all Spanish and Italians agree summer vacation is important, they both declare the lowest budgets, at €1,585 and €1,607 respectively. In these countries the fear of inflation is also high with two-thirds (66%) in Spain and over half in Italy (59%) saying it will probably have a negative impact on their vacation this summer.

Relaxation is the number one goal for summer vacations

As the world tackles health, geopolitical and economic crises, it is not surprising that respondents across all countries, except Spain, cite having a relaxing, restful holiday as their primary hope for their summer vacation. In Spain, most respondents (48%) hope to go to the beach or seaside.

Americans are most likely to say they want to visit family and friends (28%). They are also more likely to plan shopping vacations (19%), as are the Dutch (19%). While, Austrians are the most athletic, with 14% wanting to use their vacation to take part in a sport or hobby.

Commenting on the survey, Joe Mason, Chief Marketing Officer - Travel, at Allianz Partners said: *"I am delighted to share the results of the second edition of the International Vacation Confidence Index, the first time we are focusing on the summer vacation period with this international research. The good news is that confidence in the ability to travel this summer is largely established across all countries surveyed. Summer vacations are extremely important to people and a valuable moment to take some time out to relax and connect with family and loved ones. As we head into the first summer in three years with few travel restrictions due to Covid, it's particularly interesting to see that the pandemic is no longer the primary concern for summer vacationers. However, the staycation – which became so*

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popular during the pandemic – looks to be a trend that's here to stay, with many planning to vacation in their home country this year as they deal with the rising cost of living and travel.

“This research provides us with a comprehensive understanding of consumer behaviour. Research like this is extremely important to us at Allianz Partners to ensure we are providing services that meet the ever-evolving needs of our customers and also listening to their concerns.”

For more information on Allianz Partners, visit: www.allianz-partners.com

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Media Queries:

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Notes to editors

Study Methodology

The study was carried out on a sample of 9,107 persons, in France (1,019 persons), in Germany (1,020 persons), in the United-Kingdom (1,012 persons), in Italy (1,025 persons), in Spain (1,015 persons), in the Netherlands (1,003 persons), in Austria (1,003 persons), in Switzerland (1,005 persons) and in the United-States of America (1,005 persons). The samples were drawn up according to the quota method, with regard to the criteria of sex, age, socio-professional category, region of residence and size of agglomeration in France; sex, age, region and income in other countries.

The interviews were performed using a self-administered online questionnaire via the CAWI (Computer Assisted Web Interview) system.

The interviews were carried out between May 3rd and May 11th 2022.

About Allianz Partners

Allianz Partners is a world leader in B2B2C insurance and assistance, offering global solutions that span international health and life, travel insurance, mobility and assistance. Customer driven, our innovative experts are redefining insurance services by delivering future-ready, high-tech high-touch products and solutions that go beyond traditional insurance. Our products are embedded seamlessly into our partners' businesses or sold directly to customers, and are available through four commercial brands: Allianz Assistance, Allianz Automotive, Allianz Travel and Allianz Care. Present in over 75 countries, our 19,800 employees speak 70 languages, handle over 64 million cases each year, and are motivated to go the extra mile to offer peace of mind to our customers around the world.

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