

Media release

Travelers Increase Travel Budgets Despite Cost of Living Pressures

Allianz Partners' Vacation Confidence Index finds:

- **Heightened demand for international travel with a significant decline in health and geopolitical concerns.**
- **Traveler concerns about environmental risks like fire and floods are high.**

Paris, 13th June 2023

Most travelers are increasing their summer travel budgets in 2023, despite ongoing cost of living pressure and stubbornly high inflation. Respondents in seven of nine countries surveyed by Allianz Partners for its Summer Vacation Confidence Index plan higher travel spending this season*, with those in Switzerland and the United Kingdom reporting the largest annual increases of €653 (up 31%) and €467 (up 26%) respectively. Travelers in France, Germany, Italy, Spain, and the Netherlands also report higher spending intentions, with Austria the only country reporting a reduction in budgets.

The research, which was carried out by OpinionWay for Allianz Partners, surveyed 9,443 people across France, Germany, United Kingdom, Italy, Spain, Netherlands, Austria, Switzerland and Poland.

The survey found that very strong travel demand remains: 85% of respondents plan to take a vacation this summer, compared to 84% last year. International travel intentions have increased again, with 43% planning a foreign trip in summer 2023, up 4 points on 2022. The United Kingdom (50%) saw this biggest increase in travelers planning international vacations, an 8-point rise.

Most travelers now consider environmental risks such as fires and floods when choosing a holiday destination. Following high-profile natural disasters in recent years, including the 2023 floods in northern Italy and major fires in 2022, 58% of survey respondents stated that they are taking such risks into account when choosing a holiday destination, with travelers in Spain (65%) and Switzerland (62%) most likely to behave in this manner. Respondents in the United Kingdom (50%) were least likely to take these risks into consideration.

Other key Findings:

- **Increasingly adventurous:** 43% of respondents consider themselves more adventurous than they were five years ago. In addition, 73% of holidaymakers have expressed a desire to try something new and different during their vacations.
- **Less concern about geopolitics and health issues:** Only 29% of those surveyed said they're worried about geopolitical issues, down 13 points since last summer.

* Poland was not included in the 2022 survey, so a comparison is not possible with 2023 data.

Likewise, only 28% of those surveyed said they're worried about health-related issues, down 17 points over the last 12 months.

- **Greater focus on environmental impact:** More than half (56%) plan to change the way they travel to reduce their impact on the environment. Half (53%) are willing to spend more on transport and accommodation to reduce their carbon footprint.
- **Rest and relaxation the main reason to get away:** Rest and relaxation was the primary motive for taking a vacation for most travelers in all nine countries surveyed.

Commenting on the survey, Joe Mason, Chief Marketing Officer – Travel, at Allianz Partners said: *“After a year of high inflation and cost-of-living pressures, you might expect that travelers would be reducing their budgets and tightening their belts in 2023. In fact, it’s the opposite: desire to travel remains extremely strong, and travelers are responding to higher prices by increasing their budgets. At the same time, a decline in geopolitical and health concerns is driving up international travel intentions once again.*

“People are also giving consideration to environmental risks like floods and fires when planning their vacations. Recent extreme weather events haven’t gone unnoticed as holidaymakers weigh up their options. These trends are likely to have a knock-on effect for the travel insurance industry, with more travelers opting to explore the wide variety of products being offered to ensure they’re covered.”

“The broader environmental impact of travel is also a priority for many holiday-makers. Despite cost pressures, it’s striking that 53% of travelers now say that they’re willing to pay more for transport and accommodation that reduces their environmental impact.”

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Media Queries:

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Notes to editors

Study Methodology

The study was carried out on a sample of 9,443 persons, in France (1,037 persons), in Germany (1,050 persons), in the United-Kingdom (1,052 persons), in Italy (1,050 persons), in Spain (1,051 persons), in the Netherlands (1,050 persons), in Austria (1,053 persons), in Switzerland (1,050 persons) and in Poland (1,050 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 9th 2023.

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 several commercial brands including Allianz Assistance, Allianz Travel and Allianz Care. Present in over 75 countries, our 21,900 employees speak 70

languages, handle over 72.5 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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