



FLIGHT CENTRE
TRAVEL GROUP™

Travel 2020

A YEAR IN REVIEW

“I CAN SAFELY SAY **2020** WAS A YEAR **LIKE NO OTHER...**”

Beginning with fires across much of Flight Centre's homeland, Australia, continuing onto one of the worst pandemics in modern memory, and finishing with the arrival of a new strain of COVID-19 which spread rapidly during December, leading to a national lockdown in January. It was a challenge from start to finish, with the travel industry seeing its own unique set of circumstances to navigate.

Like many UK travel businesses, Flight Centre was, and still is, extremely impacted by the pandemic and to say COVID-19 had a devastating impact on our business and our employees is an understatement.

Throughout the year we saw consumer confidence in complete turmoil. When looking at the customer sentiment data we collected, September was the UK's most hopeful and positive month, however this quickly turned as cases of the virus started to ramp up in the UK.

As the vaccine roll out began at the end of last year we also saw an uplift in interest for holidays and, encouragingly, there are some green shoots of growth for the year ahead. We hope 2021 will be a phenomenal bounce back for the travel industry.

From our own customer data, we know that 86% of our customers are looking to travel in the next 12 months and, while staying safe, we're hopeful that 2021 will allow many previously overlooked destinations to enjoy the limelight. I think we can all agree that holidays in 2021 are going to be the most important of our lives, as we reunite with loved ones, spend time recovering and making new memories after such a difficult year.

“We can't wait to wake up somewhere new.”

Steve Norris, MD EMEA, Flight Centre



Steve Norris
Flight Centre MD EMEA





INSIGHTS FROM A YEAR
OF SENTIMENT TRACKING

7,000

Number of Flight Centre customers surveyed in 2020, to gain a deeper understanding of their views on travelling, as the pandemic evolved and government advice changed.

Insights were collected in July, September and December 2020.

ROLLERCOASTER OF EMOTIONS... HOW TRAVELLERS FELT IN 2020

When asked “**how do you feel about travelling right now?**” September was the UK’s most apprehensive month. In July, 63% of customers said they were nervous and worried about travelling. In September, with news of reduced restrictions, this number jumped to 73%, but in December’s results only 32% of customers cited these feelings.

A very small number said they would not travel again, which is a shame but not surprising.

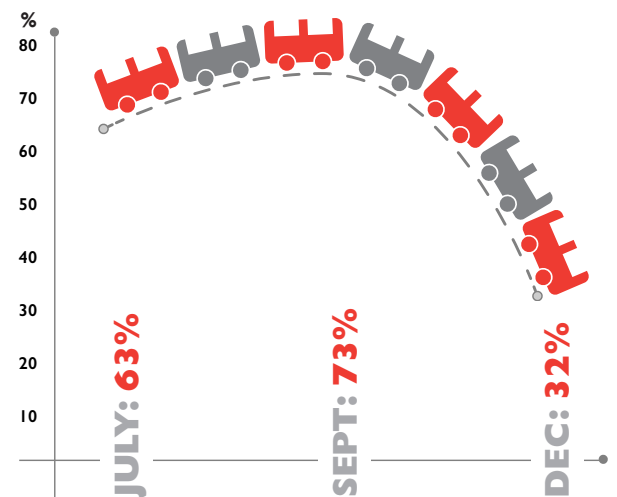
When asked “**when do you think you will book travel next?**” the sentiment stayed steady over July and September with approximately 13% saying they were looking to make a booking at the time. This dropped to 10% in December, which is traditionally a quieter time for holiday bookings.

However, those looking to **travel in the next six months** increased considerably from September to December. In September 32% of people said they were going to book, compared to 50% in December, giving hope that consumer confidence was set to rise into 2021.

In July, 42% of customers were hoping to **travel again within the next 7-12 months**, however this optimism dropped to 37% for September and stayed steady at this level for December too. In contrast, people looking to travel ASAP peaked in September. It went from 8% in July to 11% in September before dropping back down to 8% in December.



% of customers nervous or worried to travel



People looking to travel immediately peaked in September.

11%

(8% in July & December).

LEADERSHIP – HOW DID IT MAKE US FEEL?

When looking at the UK government's approach to this pandemic, **Flight Centre** asked customers how it affected their feelings on travel and, in September, a massive 59% said they felt negative. By the end of the year, this negative feeling had reduced, with 46% of customers believing that the government's actions made them feel negative, down by 13% for December.

This shift towards the positive was before the Christmas tier restrictions were announced, however.

In December, 95% of customers would be willing to take a COVID-19 test if it reduced the quarantine requirement. Of these, most customers would prefer to take one from a pharmacy or at an NHS testing facility, with very few people saying they would be comfortable taking one at home via post.

In December, over 60% of customers reported that the reduced quarantine period by the government would have no effect on their likelihood to book a holiday.

Conversely almost 70% of customers reported that the news of the vaccine roll out would make them more likely to book a holiday.



In December 2020,

95%

of customers would be willing to take a COVID-19 test if it reduced quarantine requirement.

In December, over

60%

of customers reported that the reduced quarantine period would have no effect on likelihood to book a holiday.

Almost

70%

of customers reported that the news of the vaccine roll out would make them more likely to book a holiday.

THE **TOP SEVEN THINGS**

THAT FLIGHT CENTRE CUSTOMERS SAID WERE IMPORTANT TO THEM WHEN BOOKING DURING THE **COVID-19 ERA**

1

I want to know I can get my money back if advice to travel changes

2

I want to see that a travel company has a strong record of giving customers their money back when trips have been cancelled

3

I want to know that I have insurance to cover me if I fall ill with COVID-19

4

I want to feel assured that my travel agent / booking company has done the necessary checks on the airline or accommodation that I am booking

5

I want my travel agent / booking company to be proactive if there are changes and I can't take my original holiday

6

I want to know I can change my holiday if I change my mind

7

If I book through a travel agent, I want them to advise me on where is safe to go and keep on top of the news for me

Customers currently want confidence in booking, they need to know they can get their money back, along with wanting real flexibility in their holiday plans. This is where Flight Centre comes in, by being able to pair flexible airfares with accommodation, we can offer a level of flexibility a customer won't get if they go elsewhere. It also goes without saying that we need to offer COVID-19 insurance to protect them when they are travelling.

Yvonne Hobden,
Head of Retail Marketing, Flight Centre UK

A man and a woman are taking a selfie. They are both wearing light blue surgical face masks. The woman is on the left, wearing a white traditional Korean blouse (jeogori) with a gold and black patterned collar. The man is on the right, wearing a dark blue button-down shirt. They are standing in front of a traditional Korean building with a tiled roof and green lattice windows. The sky is overcast.

51.2%

OF THOSE SURVEYED SAID THEY
FEEL HOPEFUL ABOUT
FUTURE TRAVEL

A question asked in December designed
to look forward to 2021.

A woman with long brown hair, wearing sunglasses and a white tank top, is smiling while rowing a boat on a body of water. The background shows a sunset with trees and a bright sun creating a lens flare effect.

2021 THE MOST IMPORTANT YEAR OF TRAVEL **EVER**

TRENDS FOR THE YEAR
AHEAD & FLIGHT CENTRE'S
WOW LIST OF **12 TRIPS
TO BOOK**

LOOKING TO **THE FUTURE...**

Though the new strain of COVID-19 hit us hard in December, with the vaccine roll out now under way, first injections taking place, and the Oxford vaccine approved between Christmas and New Year, our hopes remain high for a strong recovery of the travel industry this year. Though we imagine the first quarter of 2021 will continue to see travel restrictions and consumer nervousness, we believe we may see positive inroads by late spring.

Travel safety, both in terms of finance and hygiene, will be the top of customers' agendas when booking this year and it will be up to travel agents to ensure both are cared for with equal attention.

As part of Flight Centre's survey of **7,000 customers**, questions were also asked about plans for 2021 and, combined with internal website data, the outlook for next year is summarised below:

- Most of Flight Centre's customers **plan on travelling to Europe next year (with the typical destinations such as Spain, Greece, Italy and France among the top cited), as their first destination post-COVID.**
- Flight Centre's top 20 flight destinations have seen a huge shift, allowing for historically underexplored destinations with a higher price point to take the spotlight. This follows Flight Centre's prediction that **2021 will see an increase in luxury holidays**, as those with the income to travel further afield can afford to splash out on a premium trip.
- Though the USA has taken a momentary hit in popularity, with New York flights falling from 3rd to 10th place and Orlando and Las Vegas, previously consistent top 10 members, sliding down to 15th and 16th place, **Flight Centre saw a second quarter of growth for USA which again highlights the strength of the country** as a destination, despite the continued issues they are having with COVID-19.
- Despite COVID restrictions, some destinations have experienced year-on-year (YoY) growth during 2020 – **St Lucia has seen an 82% YoY increase in searches and Antigua a 22% YoY increase.**



Flight Centre's TOP

20

flight destinations have seen a huge shift, allowing for historically underexplored destinations with a higher price point to take the spotlight.

St Lucia has seen a

82%

YoY increase in searches.

Antigua has seen a


22%

YoY increase in searches.

2021

THE MOST POPULAR PLACES TO FLY

**TOP 20 MOST SEARCHED FOR FLIGHT
DESTINATIONS ON FLIGHT CENTRE'S WEBSITE**

- 
- 1 Brisbane, Australia
 - 2 Sydney, Australia
 - 3 Auckland, New Zealand
 - 4 Malé, Maldives
 - 5 Cape Town, South Africa
 - 6 Melbourne, Australia
 - 7 Perth, Australia
 - 8 Dubai, United Arab Emirates
 - 9 Bridgetown, Barbados
 - 10 New York, USA
 - 11 Antigua & Barbuda
 - 12 Johannesburg, South Africa
 - 13 Montego Bay, Jamaica
 - 14 Bangkok, Thailand
 - 15 Las Vegas, USA
 - 16 Orlando, USA
 - 17 Singapore, Singapore
 - 18 Lagos, Nigeria
 - 19 Durban, South Africa
 - 20 Denpasar, Indonesia

Being an Australian company, Flight Centre plays a big role in sending people to Australia for both holidays and getting Australian citizens home.

Destinations in Australia always rank highly.

THE MOVERS AND SHAKERS

FLIGHT DESTINATIONS WITH
BIGGEST GROWTH NUMBERS

Maldives 4th

Cape Town 5th

Dubai 8th

TOP 3 NEW ENTRIES

Barbados 9th

Antigua 11th

Jamaica 12th

THE CARIBBEAN REMAINED THE MOST POPULAR
'OTHER' DESTINATION

USA HAS DECREASED IN POPULARITY

New York 3rd → 10th

**Orlando &
Las Vegas** 15th & 16th

PREVIOUSLY CONSISTENT TOP 10 MEMBERS HAVE
NOW SLID DOWN

AVIATION TRENDS

No Jab, No Fly

Flight Centre CEO Graham 'Skroo' Turner said the "obvious way" to kick start travel while avoiding mandatory quarantine would be to have a vaccination requirement. "The coronavirus is going to be around for the next few years at least and if there are effective vaccines... The obvious way to make sure that travellers don't spread it a lot and don't have to quarantine would be to have a vaccination requirement." Flight Centre predicts further airlines will adopt this policy to safeguard its travellers and facilitate freedom of movement, however, there must be an international standard to this to offer ease and consistency to travellers. This follows the implementation of temporary travel restrictions placed on the UK after the spread of the mutated strain of COVID in December 2020.

Price increases

Every international airline has reduced capacity during this pandemic. As the vaccine is rolled out and demand lifts, we anticipate there could be increases in airfare pricing as there will be higher demand than seats on some routes. Supply and demand will depend on market confidence, border restrictions and additional costs of running airlines. **In the short term there are some amazing deals to be had so we would encourage customers to talk to their travel agents sooner rather than later.**

Flexibility

Flexibility has been a key new feature we have seen with airlines, which we predict will stick around for at least the next 12 months. We've seen policies more flexible than ever before, enabling travel agents to access rates that can be cancelled for COVID-19 reasons. **Something a customer simply wouldn't get by booking online.**

Travel Corridors

With much of the Europe having implemented travel bans for Brits, in light of the news of the new strain of COVID-19, Flight Centre predicts that travel corridors implemented on a country-by-country basis will continue to be the norm throughout 2021, until COVID-19 cases begin to settle. As in 2020, it is predicted that these travel corridors will be the most popular travel destinations for Brits.

Gen Z Exodus

Many young people are desperate to get out for a cheap holiday and less concerned with the restrictions around travel, therefore it is expected that Gen Z and young millennials will be among the first of the UK population to take advantage of cheap prices and book trips in 2021.



Graham 'Skroo' Turner
Flight Centre CEO

"The coronavirus is going to be around for the next few years at least and if there are effective vaccines... the obvious way to make sure that travellers don't spread it a lot and don't have to quarantine, would be to have a vaccination requirement."

Private Jets become "bubble travel"

As commercial flights were plunged into uncertainty in 2020, high-net-worth individuals began taking private jets more frequently for repatriation, as well as for quick summer getaways. We see this trend set to continue in 2021, as more disposable income allows these individuals to find a way to take their COVID-19 bubbles on holidays they will have missed in 2020.

HOLIDAY TRENDS

Off the Beaten Track

As social distancing measures are set to be in place throughout 2021, Flight Centre predicts under-the-radar destinations, away from the bustle of large cities, will become a key focus. For example, instead of staying in Manhattan, visitors may head to upstate New York for a trip; rather than Miami, **holidaymakers may be more interested in the smaller city of St Pete and Clearwater**; in Europe, tourists may prefer the villas located in smaller villages dotted around Lanzarote rather than Puerto del Carmen.

The Maldives

Those who could afford a holiday in the Maldives pre-COVID may have found themselves with a little extra disposable income, due to cancelled holidays in 2020 and two lockdowns. It is expected that these consumers will be interested in high luxury villas as well as sustainable eco-lodges in 2021 and will pay a premium to experience the best of the best.

For the first time, **Malé has made the top 5 of Flight Centre's most popular flight destinations (highly driven by the limited travel corridors during this period)**. Flight Centre has found that, when international travel is open once more, **25% of its customers want a beach holiday and 16% want a luxury holiday**, leaving the path open for The Maldives to fill the space from early 2021 as the ideal destination for both. Indeed, luxury travel as a whole is set to see a shift this year, with the focus shifting from glamorous hotels, to bespoke tours and made-to-measure travel.

Safari

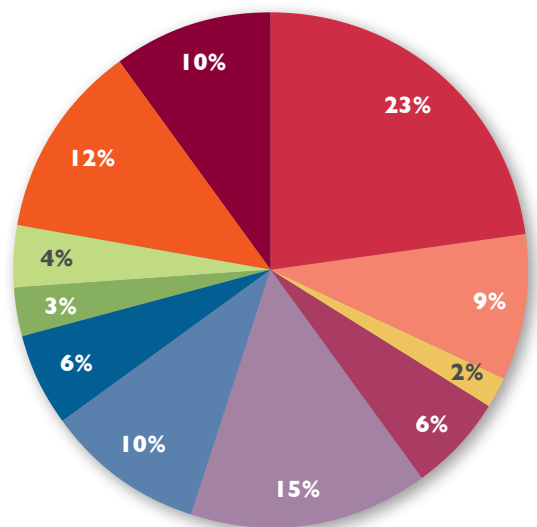
Due to the time spent in wide open-spaces, away from crowds of people, **safaris will be one of the safest holiday options post-COVID**. The challenge will be for expert travel agents to show customers that local guides will not be put at risk, so travellers don't feel worried about bringing the virus with them. Similarly to travellers going to the Maldives, those who had budget for a safari holiday pre-COVID are more likely to spend more money for a luxury trip than before, therefore tailor-made travel services, such as butler service, exclusive activities and brand-new openings are predicted to be of interest in 2021.

Customers are currently showing a fairly even split in the type of holiday they intend to take next, with almost a quarter of customers planning to book a beach break.

This diverse split has remained consistent throughout the pandemic, as travel corridors have stayed in constant flux and customers look to travel experts for guidance on what type of holiday is safe and responsible to book.

As the vaccine is rolled-out far and wide, it is possible that city breaks and trips with older family will be seen as safer and could become more popular.

Type of holiday



- Beach holiday
- Active holiday
- Ski
- Villa
- City break
- Multi-city tailor-made trip
- Small group tour
- Young family
- Older family
- Trip with friends
- Road trip

CONSUMER TRENDS

Longer trips

Pre-2020, the trend for holiday length tended towards shorter holidays. In 2021, Flight Centre customers continue to show a preference for longer trips, with 70% of customers looking for stays of 14 nights or longer. In contrast, only 3% said they were looking for weekend breaks.

Using travel agents instead of DIY holidays

The latest findings from a Which? report show that booking a holiday through a travel agent, rather than booking each individual element yourself, is cheaper and provides the safety and flexibility that travellers need in 2021. Which? found that packages offer “much greater protection if a trip is affected by coronavirus or other disruption”. Flight Centre noted in 2020 that flexibility had become a key necessity for international travel and has altered its packages accordingly. Flight Centre now offers low deposits, full refunds or alterations as close as 72 hours before travel, as well as providing up-to-the-minute government updates to travellers from their dedicated travel agent.

Multi-generational travel

With many people having spent lockdown with family and looking after vulnerable relatives, family ties are now stronger than ever and the older generation have a new desire to get out and explore after so long stuck at home. Multi-generational travel will see up to three generations take trips together, with accommodation and activities that suit all members of the family.

Social bubble holidays

The UK's travel taskforce is currently considering “tour bubbles”, allowing groups of inbound tourists to avoid quarantine, so long as they avoid public transport and stay together during the trip, in what could be a major boost for the UK's tourism sector. This could be something that is adopted by other countries, playing to the desire of tourists wanting to meet new people and explore more in 2021.

Which? found that packages offer “much greater protection if a trip is affected by coronavirus or other disruption.”



70%


2021 customer preference for
14 nights or longer.

In contrast, only
3%

are looking for
weekend breaks.

2021 WOW LIST

12 TRIPS THAT ARE GOING TO BE **HOT** NEXT YEAR

- 
- 1 | Luxury getaways to the Maldives
 - 2 | Off the beaten track and active holidays in the Canary Islands
 - 3 | Socially distanced safaris in South Africa
 - 4 | Premium family trips to Dubai
 - 5 | Fly-and-flops to Antigua
 - 6 | Natural beaches in St Lucia
 - 7 | Luxury European beach breaks in Greece
 - 8 | Upstate New York and Long Island
 - 9 | Nature in Costa Rica
 - 10 | Hiking and kayaking in Canada
 - 11 | Wide-open spaces in Ireland
 - 12 | Beach getaways in Mexico