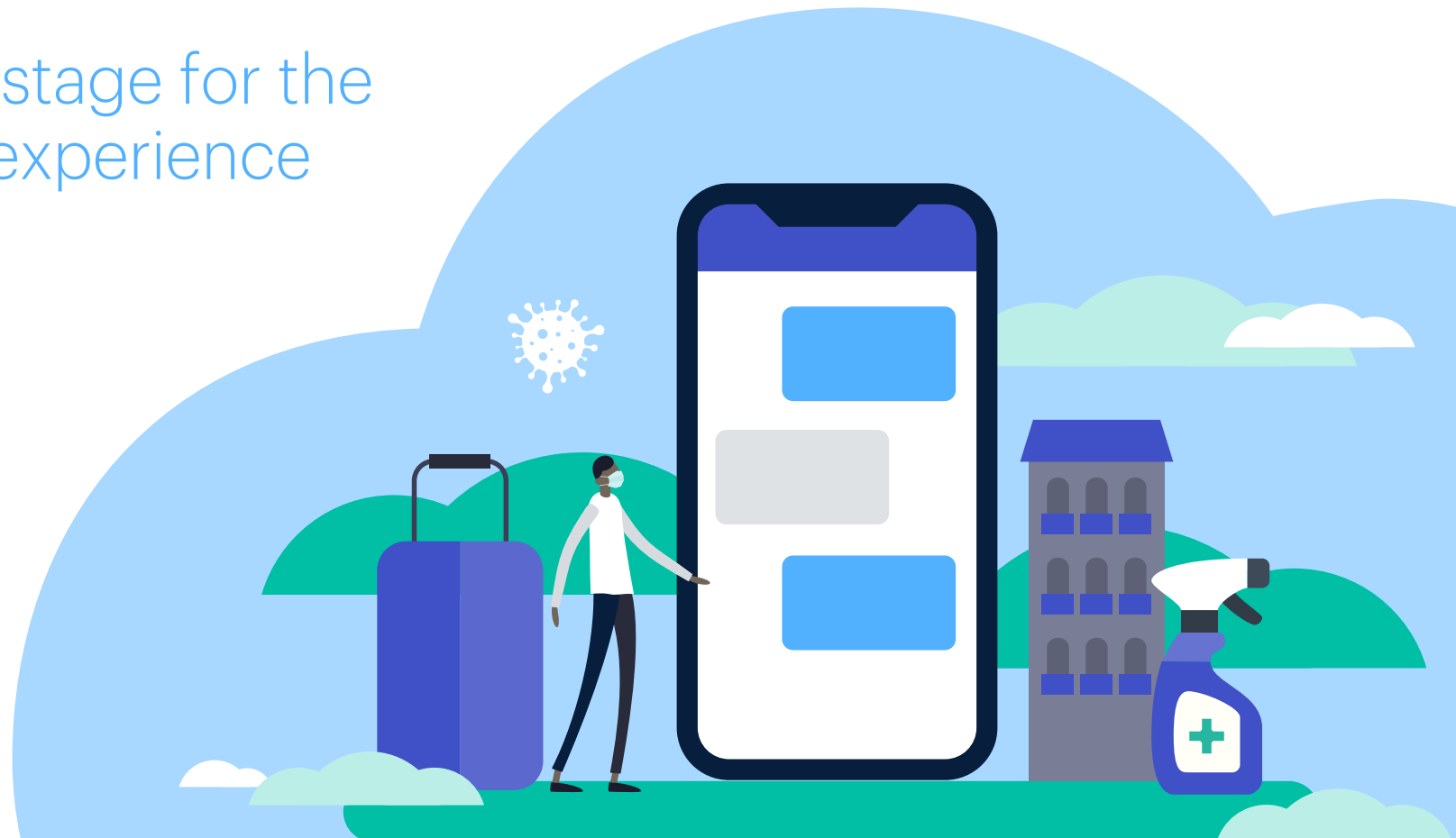


CONSUMER REPORT:

RETURN TO TRAVEL

Setting the stage for the new guest experience



Introduction

While every industry has had to adapt to the fallout of COVID-19, it's fair to say that travel and hospitality's response to the pandemic has been one of the biggest stories of the past year. An industry built on high-touch, human service, brands were thrust into an environment where effective social distancing protocols and contactless experiences were key to its survival. As a result, traditionally in-person experiences like hotel and airline check-in became driven by contactless technology, and consumer demand for intelligent messaging tools that allowed them to communicate safely with staff skyrocketed, and in many cases, allowed businesses to keep their doors open.

The truth is, the travel industry's nimbleness is equally important for the economy as a whole. It is, after all, an industry that significantly [outpaced global economy growth](#) in the nine years prior to the pandemic, and employed 1-in-10 people around the world. It's hardly a

surprise then that businesses across all industries have turned to this sector for inspiration on how to navigate these challenging times.

And despite an undoubtedly tough 2020, all signs are pointing towards a successful rebound, including the [TSA reporting a steady upwards trajectory](#) and 72% of consumers saying that they plan to travel at the same rate as they did pre-pandemic, with 32% saying that they "absolutely" will.

With all of this as a backdrop, Medallia Zingle commissioned a research study to more than 1,000 American consumers to see just how their behaviors and views towards travel have been altered by the COVID-19 pandemic, while also illuminating the challenges and opportunities that brands have in the months ahead.



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of consumers say that they plan to travel at the same rate as they did pre-pandemic.

Positive Signs of Momentum Spurred by Adaptation

With the number of people being vaccinated everyday in the U.S. now in the millions, a sense of optimism has arisen as hope that life will return to some semblance of normalcy seems closer to becoming a reality. Alongside air travel's recent uptick, for example, Americans have been finding new ways to scratch their travel itch and take safe vacations. For instance, researchers recorded about [12 million long-distance road trips per day](#) during the peak of summer, a trend that coincided with the [reopening of many hospitality businesses](#) that were forced to shut their doors when the pandemic began. What all this means, of course, is more business for hoteliers who's own resilience and flexibility has been widely recognized since the onset of the pandemic.

In fact, Medallia Zingle found that nearly 40% of Americans have stayed at a hotel in the last three months -- a considerable

recovery for an industry that has had to overcome mass vacancies, layoffs and closures. April data from the [American Hotel & Lodging Association](#), for instance, found that 8-in-10 hotel rooms across the nation sat empty, and predicted that occupancy rates for the remainder of the year would hit record lows worse than rates during the Great Depression.



12 million

In the first two weeks of August 2020, Americans recorded nearly 12 million long-distance road trips per day, paving the way for many hotels to re-open.



40%

of Americans have stayed at a hotel in the last three months.

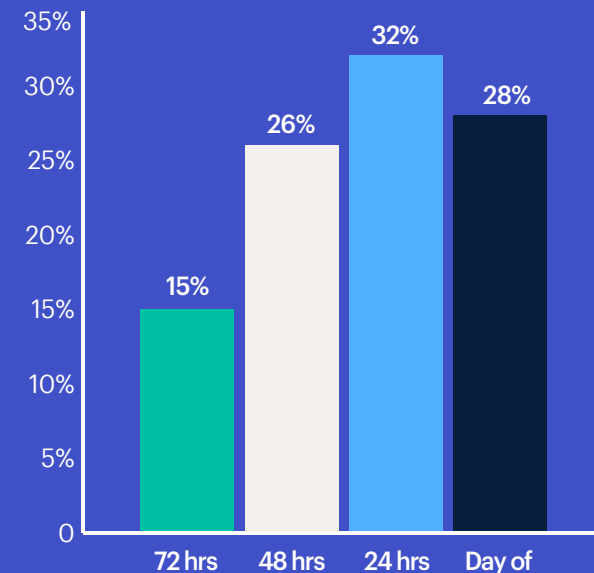
Yet, these businesses have found a way to stay open and deliver top-quality guest experiences with fewer resources and less bandwidth. Of those who have stayed in a hotel in the last three months, over 63% rate their experience as a guest as four stars and above. With guest expectations taking on new heights, this is certainly a notable achievement. It's also inspiration for all businesses adapting to their customers' new standards for service.

With that said, as Covid-19 persists, even the highest consumer standards leave room for concern.



Guests Still Expect Flexibility Around Reservation Cancellations

During COVID-19, what do you believe is an appropriate timeframe to be able to cancel a reservation?



Safety Still A Concern

Medallia Zingle research from [May 2020](#) uncovered significant shifts in consumers' attitudes towards visiting businesses in-person. More than three-quarters (77%) reported that in the future, the amount of in-person interaction required at a business would factor into their decision of whether or not to visit it. And when you consider what hospitality is renowned for -- high-touch, human service -- concern for safety is a natural reaction. Which is why it isn't entirely surprising that 58% of Americans who've stayed at a hotel in the last three months admit worrying about contracting COVID-19 at some point during their stay.

The truth is, even with all the precautions hoteliers have taken to create safe experiences for their guests, anxiety around contracting the virus has been hard to curb. In an [October poll](#) conducted by the American Psychiatric Association (APA), nearly half (47%) of those surveyed expressed levels of anxiety around the possibility of becoming

infected with Covid-19. Of course, anxiety levels are bound to fluctuate alongside the number of reported Covid cases in a consumer's locality. It's therefore worth noting that Medallia Zingle's survey respondents who reported staying at a hotel in the last three months (November - January) did so at a time when [Covid cases spiked](#) nationwide.



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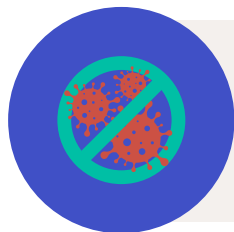
of consumers reported that in the future, the amount of in-person interaction required at a business would factor into their decision of whether or not to visit it.

Interestingly, the vast majority of those who reported feeling worried about contracting COVID on-premises, said they did so when in common spaces like during check-in (27%) and while using hotel amenities (22%). The check-in experience has been largely digitized since the pandemic began, with many hotels across the country like [MGM Resorts](#) implementing contactless procedures that allow guests to check-in via text even prior to arrival, as well as notify staff of any special requests. Effective in its ability to streamline operations and reduce the need for physical interactions, it's also an area where consumers are pushing for more digitization, with two-thirds telling Medallia Zingle that contactless, touch-free check-in processes should be adopted by all hotels to make them feel safer as guests.

The adoption of 'more intense room cleaning', with the use of UV light disinfectants for example, proved to be the

only precautionary measure of greater importance to consumers (74%). Meanwhile, travelers have overwhelmingly called for hotels to embrace 'pre-stay communication of health & safety processes and protocols' (53%), and 'temperature checks/health screenings for guests' (54%) to help them feel safer on-premises, as well as for staff to 'limit the use of amenities offered to guests' (30%).

While hospitality's mastery of premium-level guest experiences has garnered four and five star ratings in recent months, it turns out that even post-COVID, the quality of their health and safety processes and standards will remain critical for success. 92% of Americans say that going forward, online reviews that include this type of information will be at least somewhat important when they're choosing a hotel to stay at, with 46% admitting that it will be extremely important to them.



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22% said while using amenities



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Contactless Communication Here to Stay

The travel and hospitality industry looks significantly different today than it did 14 months ago. And while some aspects will return to normal once the crisis subsides, it's safe to say that many of the changes that have taken place are permanent and will be key for success going forward.

For example, among the many behavioural changes that consumers have experienced in the past year has been a meteoric rise in demand for contactless technologies that limit the need for physical interactions.

Medallia Zingle's [COVID-19 & the Future of Commerce](#) report even found that 87% of consumers think businesses should continue to offer options like curbside pickup that limit the need for physical interactions, evidence that these types of contactless processes have been nothing short of a lifeline for Americans during COVID.

Our latest research has uncovered a similar trend amongst travelers, whom are already carefully planning itineraries with their health and safety in mind. In fact, 77% say that even after a vaccine becomes widely available, the amount of in-person interaction required will factor into their decision of whether or not to travel.

Understandably, consumer sentiment towards highly-populated and overcrowded areas has taken a hit since the pandemic began. It is, after all, why [millions of Americans have moved from bustling cities to less dense, suburban and rural areas](#) in the past year. But what this data also represents is a future where many of the contactless initiatives adopted by travel and hospitality brands to safeguard their guests' well being, will remain vital for getting them through their doors.



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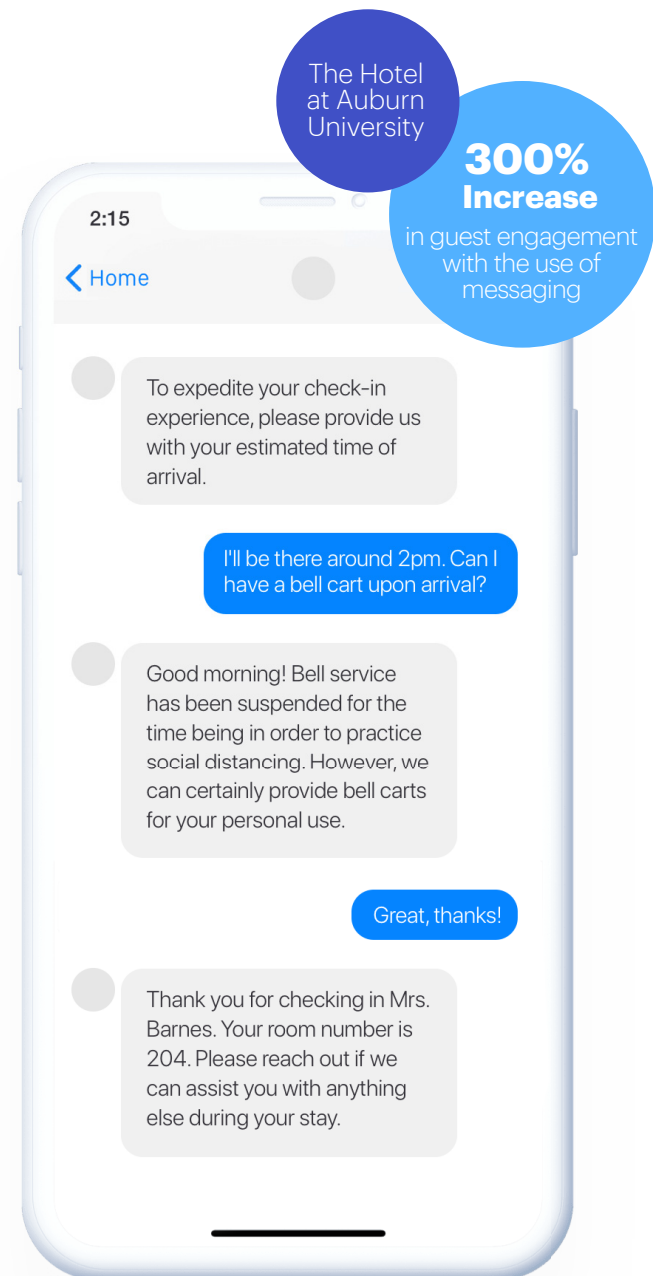
say that even after a vaccine becomes widely available, the amount of in-person interaction required will factor into their decision of whether or not to travel.

And the truth is, this might very well be good news for hoteliers and other businesses who've leveraged tools such as intelligent messaging to boost guest engagement and ROI. The Hotel at Auburn University, for example, saw a [300% increase](#) in guest engagement when they used text to communicate with on-premises guests at the beginning of the pandemic. Through welcome messages that outlined the property's COVID-19 protocols and procedures, to addressing guests' housekeeping, concierge and room service needs, intelligent messaging empowered hotel staff to meet expectations across a wider variety of touchpoints.

But what it has also enabled businesses to do is eliminate widening blindspots in the guest experience by intercepting and fixing issues much earlier in the customer journey. This is something of immense value for hotels and their staff, with consumers traditionally hesitant to reach out when they encounter a problem. Past Medallia Zingle research found that [75% of guests don't report all issues that impact their stay](#), with the primary reason being that there was no easy way for them to do so. And now, we've found that nearly a third (30%) say that going forward, they will be less likely to report issues that arise during their guest experience to avoid in-person contact.

75%

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Key Findings



30% of guests say that going forward, they will be less likely to report issues that arise during their guest experience to avoid in-person contact.



36% of Americans asserting that when they have questions about a hotel's safety standards and processes before visiting, they expect a response within 5 minutes or less.



72% of consumers interacted with their hotel before arrival via email (40%), text (21%) or online chat (11%).



The contactless initiatives adopted by travel and hospitality brands to safeguard their guests' well being, will remain vital for getting them through their doors.

Reimagining Revenue Driving Opportunities

To keep guests and staff safe on-property, hotels have also had to alter the on-site amenities they provide. Some have suspended or limited valet parking and pool services, while others have implemented “fridge fill” programs that include [fully-stocked in-suite kitchens](#).

With the American Hotel & Lodging Association’s (AHLA) safety guidelines in mind, hotels have been taking a number of steps to quash any chance that the virus might spread on their properties. But in doing so, they’ve certainly experienced their fair share of challenges. For example, we found that 59% of hotel guests say that health and safety concerns have prevented them from using any of their hotel’s amenities. With hoteliers already struggling to drive revenue, this is of course a concern. But it’s also an understandable trend, given consumer’s general reluctance

to gather in common spaces. And as it turns out, their apprehension isn’t necessarily an indication that they feel unsafe on-premises. Almost half (46%) of consumers also state that they would feel safer staying on a hotel’s property for meals and entertainment over seeking options off-premises.



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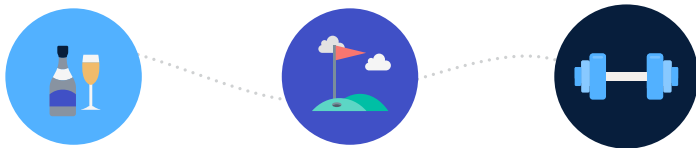


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of consumers also state that they would feel safer staying on a hotel’s property for meals and entertainment over seeking options off-premises.

With that said, hospitality brands are understandably anticipating the pandemic's end. And while COVID's eventual end will undoubtedly open up often relied upon revenue opportunities, it's fair to say that adjustments will still be crucial. For instance, while 93% of Americans say that after the widespread adoption of a COVID-19 vaccine, they will be comfortable using public amenities made available at hotels, 55% admit that they will only do so if updates are made to keep them safe (i.e. capacity adjusted for social distancing, clear communication protocols).

This is, of course, positive news for businesses' bottom lines. Food and beverage typically represents about a [quarter of a hotel's total revenue](#), while resources like spa centers can bring up to [7.5% more cash](#) through a hotel's doors. But with this crisis leaving such long-lasting marks on consumers' attitudes, it's becoming increasingly clear that the experiences hotels deliver to their guests through the amenities they provide, will also undergo a significant revitalization post-pandemic.



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Looking Ahead

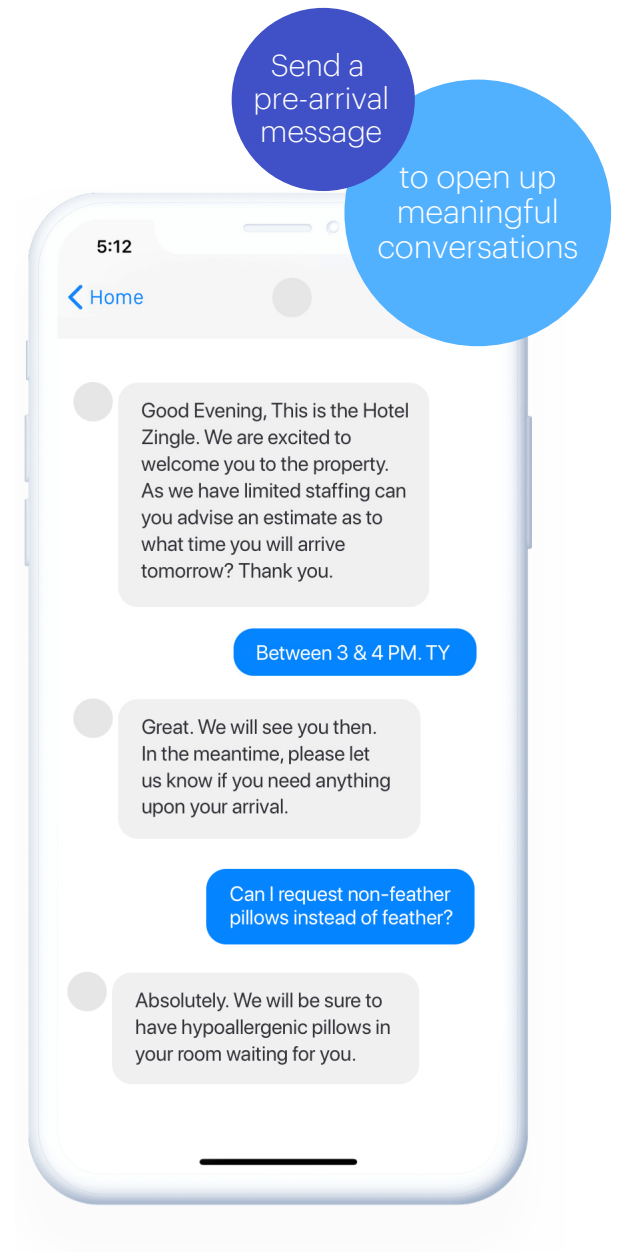
Despite COVID-19's vast impact, one thing remains true for hospitality: top-quality guest experiences are imperative for success no matter the circumstances. And while this crisis has made it almost impossible for hotels to deliver the same level of in-person, personal service that they did pre-pandemic, it has also inspired them to reinvent the meaning of human-focused hospitality. And consumers have taken note.

Our 'Return to Travel' report found that 83% of Americans expect high-quality experiences and personalization during this pandemic, with 43% admitting that they expect the same standard of service and personalization that they received pre-COVID.

So far, hotels have overwhelmingly met these expectations. The rapid surge in the adoption of contactless technology has opened up new opportunities for hotels to create meaningful

two-way conversations with guests and address their requests in a much more streamlined fashion. For example, when one hotel in New York City reopened its doors to house healthcare workers, they leveraged contactless communication to coordinate check-in times, facilitate guests' specific requests, and more importantly, create an efficient and contactless experience that kept all staff and guests safe.

Indeed, hotels' ability to execute these kinds of experiences has been a defining moment for hospitality, and proof that although today's guest experience looks a lot different than it did over a year ago, significant opportunities lay for staff to form deeper connections with customers. And as we progress through this new era for hospitality, it's clear that the relationships forged by hotels and their guests, will be a lot more meaningful than ever before.



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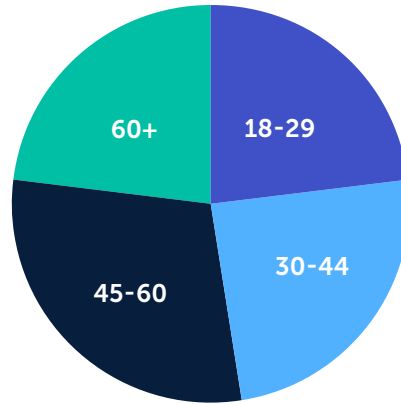
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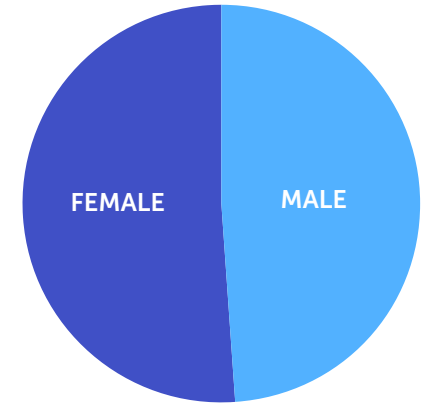
Methodology

A digital survey of more than 1,000 U.S. consumers was conducted between 2/05/21 and 2/21/21 and was weighted by age, region, and gender for an accurate representation of the U.S. population.

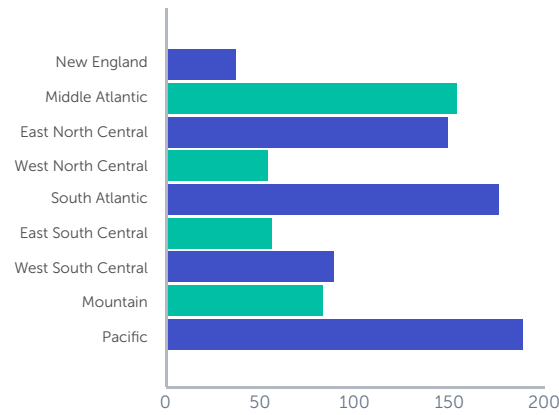
Age Breakdown



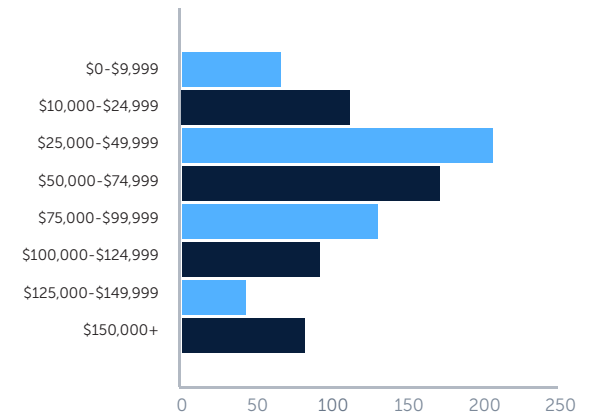
Gender Breakdown



Geographic Breakdown



Income Breakdown



About Medallia Zingle

Medallia Zingle empowers businesses to engage, support and respond to customers in more meaningful and impactful ways. Zingle's customer engagement platform combines artificial intelligence and machine learning with workflow automation and mobile messaging, allowing brands to easily deliver exceptional customer experiences in real time. Leading brands across different verticals, including hospitality, food & beverage, retail, and more, use Zingle to increase efficiency, improve operations and delight their customers. Zingle is a division of Medallia, the pioneer and market leader in experience management. Find out more at zingle.com.

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