

Tuesday, 27 October 2020

Travel industry eyes Consumer Confidence index as new report shows close link to holiday intentions

Newly released Roy Morgan data shows just how closely travel intentions are linked to Consumer Confidence. With gains in Confidence continuing, the Travel and Tourism industry will be hoping to see Australians' holiday intentions start to climb out of the chasm caused by COVID-19.

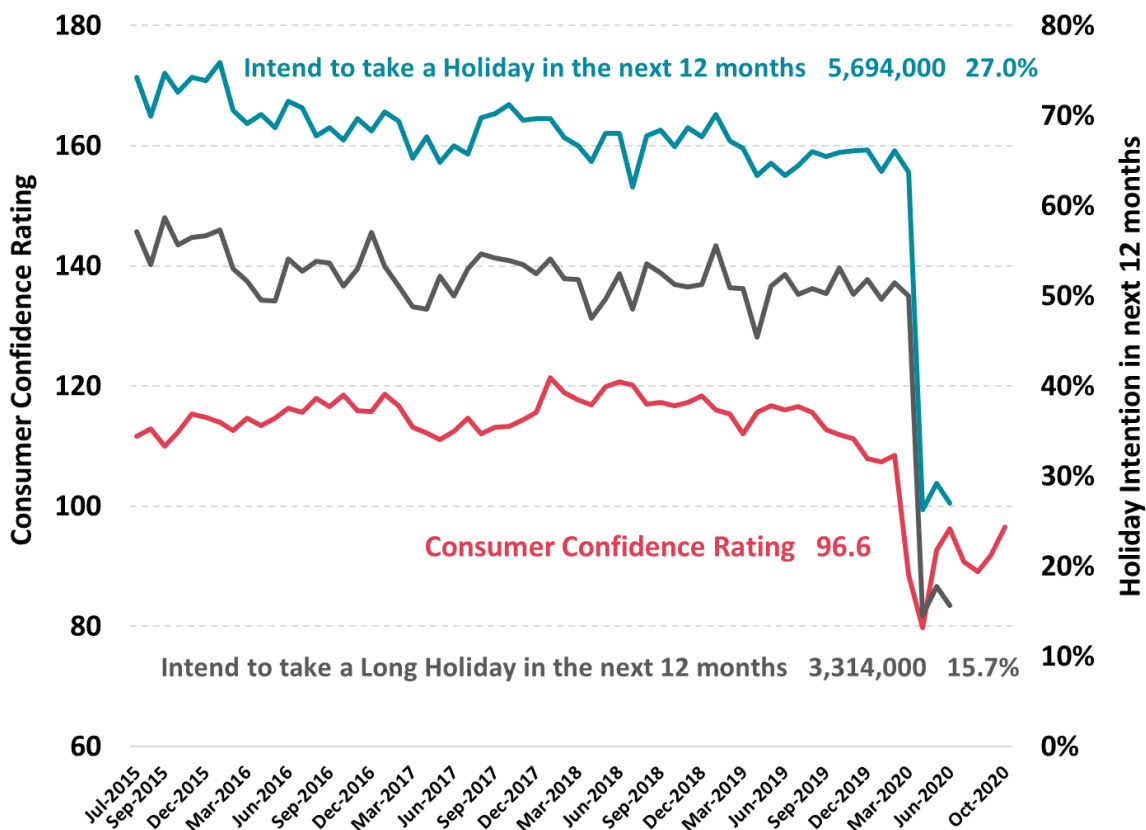
The latest Roy Morgan Leading Indicator: Holiday Travel Intention report shows that during the quarter April to June 2020, a period in which the full scale of the pandemic's effect was becoming apparent, 5.79 million Australians said they intended to take a holiday in the next 12 months. This is well under half the 13.2 million who had that intention in the equivalent quarter of 2019.

The report measures intention to travel in the short- to mid-term, rather than simply recording past trips — by doing so it allows the industry to plan strategically. The data is drawn from Single Source, the country's largest, deepest and longest-running repository of information on consumer behaviour.

It shows that people's intention to travel over the next 12 months is tightly linked to the confidence they are feeling in the overall economy. Unsurprisingly, intention to travel plummeted as a result of the pandemic and the accompanying recession. In the period April to June 2019, 63.8% of Australians were intending to take a holiday over the following 12 months, compared to just 27.5% in the period April to June this year.

However, that is still almost 6 million people, a figure likely to build as Consumer Confidence continues to increase, which Roy Morgan data shows it has been doing ever since the beginning of September.

The close link between Consumer Confidence and Travel Intentions:



Source: Roy Morgan Single Source, July 2015 – October 2020, monthly average of n=4,412. Base: Australians 14+.

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Roy Morgan CEO, Michele Levine, says:

“As with so much about this pandemic, no-one really knows what travel patterns will look like over the coming years, particularly while there is still no COVID-19 vaccine. For instance, will people feel safe boarding an aircraft as they once did?”

“What is clear is that even in a year like this, when millions of people feel desperate for the kind of respite a holiday would offer, even a short break requires discretionary spending of the kind people are only willing to entertain when they are feeling reasonably confident about the economy.

“In the April to June quarter of 2020, 5.79 million Australians intended to take a holiday away from home in the next 12 months. If Consumer Confidence continues its upward trend, we can anticipate this number rising — which is why that index is so closely watched right across the entire Travel and Tourism sector.”

Michele Levine is available for interview. Phone (03) 9224 5309

To find out more about the Roy Morgan Leading Indicator: Holiday Travel Intention report or Roy Morgan’s other data on the Travel and Tourism sector call (03) 9224 5309 or email askroymorgan@roymorgan.com

About Roy Morgan

Roy Morgan is the source of the most comprehensive data on Australians’ behaviour and attitudes, surveying 1,000 people in a continuous cycle that has been running for two decades. The company has more than 75 years’ experience collecting objective, independent information. To go deeper on this or any other subject, ask Roy Morgan.