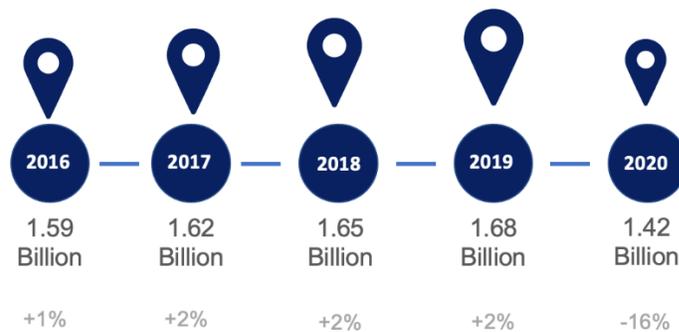


The Resilience of the South – The Silver Lining of the 2020 Overnight Domestic Market

2020 was clearly a challenging year for the travel industry. The COVID-19 pandemic caused mass disruption in the market and stark declines in travel across the country. The domestic leisure visitor of 2020 and 2021 will be the bridge to the return to the record-high visitation and traveler spending from 2019 as the domestic market will sustain the U.S. travel industry as international travel remains uncertain. This makes studying American domestic overnight visitation essential.

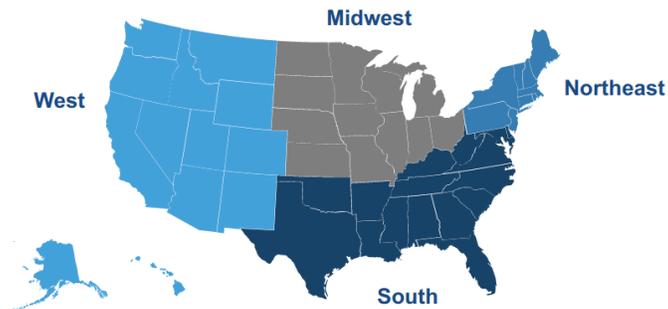
Longwoods International’s Travel USA® is the nation’s largest and longest ongoing study of domestic travel in the United States. Established in 1990, this study is fielded quarterly and has an annual trips database containing detailed information on an average of 300,000 overnight and day trips annually.

After years of steady growth, overnight domestic visitation in the U.S. fell in 2020 to 1.42 billion trips, a decline of 15.8%.



However, these declines were not consistent across the U.S. The regional variations for 2020 show that while all regions experienced declines in travel, some are looking at a shorter path to recovery. **And no region did better than the South.**

TRAVEL USA REGIONS



While all regions saw notable declines in overnight travel, but the South saw the smallest decline in overnight visitation. In 2020, there domestic overnight trips to this region declined by 8.9% from 2019. While declines in the South were not minimal, they were less than that of other regions of the country, resulting in an increasing U.S. market share for domestic overnight travel, which rose for the region by 3 points to 42% in 2020. Despite the adversity COVID-19 brought, the South's resilience and strong fight against pandemic headwinds meant a gain in overnight visitation share and a far stronger transition into 2021 than the other regions of the U.S.

The West was the next best performing region, with a 13.6% drop in domestic overnight visitation in 2020. The Midwest endured a 20.0% drop, while the Northeast fell 31.4%

So how did the South accomplish what other regions could not? Likely the influence of shorter shutdown times with lessened restrictions, such as indoor dining bans and quarantine requirements, and increased availability of attractions. When you couple those factors with shifts in activity preferences with visitors heading outdoors and hitting the roads; the access to, drive proximity, moderate climate and availability of activities and attractions such as the outdoors helped to sustain the South.

Longwoods has identified four important market characteristics that stood out for the South in 2020.

Main Purpose of Trip - Overall Stability, but Outdoors Makes Gains

Looking at the main purpose of Southern region overnight trips, there has been no significant changes between 2019 and 2020. In 2020, the main purpose of 44% of overnight trips was to visit friends and relatives, 12% were business and 45% were marketable leisure trips. Marketable leisure trips are leisure trips where marketing can change the destination selection, such as touring, a city trip, and outdoors vacation, or a cruise. Essentially, the South was poised to sustain in the pandemic with an already diverse travel mix.

There has been movement in the marketable trip subcategories. Predictably, special event trips lost share, falling 3 points in 2020, to 5%. And what gained? Outdoors – in 2019, this category represented 5% of trips, in 2020 it rose 3 points to 8%.

Many Southern states had the shortest shutdown times and the least restrictions to travel, as well as specifics such as indoor dining bans and quarantine requirements. So, although theme parks were shut for a while, for example, Florida's Walt Disney World was closed between March 16 – July 11, 2020 - for the vast majority of the year the parks were at least partially opened. Increased availability of attractions and activities in the region means the South, although down in visitation counts, did the best job in maintaining share in most types of marketable leisure trips.

Accommodations – Short-Term Rental Websites Make Gains

With slightly more than one in four overnight visitors to the South coming to visit friends and relatives in 2020, it is no surprise that we continued to see 21% of visitors to the region staying with them as well again this year. Since staying with friends and relatives remained unchanged last year, what did change?

Short term rentals gained share. Because of the multiple different types of accommodations that can be booked on Airbnb – spare rooms, whole residents, hotels, motels, bed and breakfasts – Travel USA® asks about the use of such short-term rental websites in our booking question. In 2019, 6% of all Southern overnight trips involved booking accommodation through a website like Airbnb or VRBO. In 2020, that rose 4 points to 10%.

Transportation – Road Trips Win Share

In the South, 2020 was definitely the year of the road trip. Almost three-fourths of trips (73%) had travelers using their own car or truck to get to their destinations. Additionally, 9% drove an RV/camper and 6% a motorcycle.

An interesting trend alongside the rise of the road trip is growth in share of travelers not planning ahead for their trips. In 2020, 21% of domestic overnight trips in the South included no pre-planning, a rise of 6 points from 2019.

Blurring the Barriers Between Work and Travel

The closure of many offices and workplaces starting in March 2020 ushered in a new era of remote work for millions of employed Americans opening opportunities for the blurring of lines between the open road and the office.

Attending business trips is a top 10 activity of Southern trips in 2020, with 9% of all domestic overnight trips including one. However, this business wasn't necessarily taking place with residents in the destination. As remote work dominated 2020, more travelers on vacation

attended Zoom and other video conference meetings, and more people not on PTO went on trips and attended required meetings as necessary. As many jobs remain remote in 2021, Longwoods expects this overlap of work and leisure travel to continue through at least much of 2021.

Conclusion

While domestic overnight travel was down in 2020, trips were still taking place, especially in the South. While 2020 was the bottom in terms of visitation for many Southern destinations, which they will use for the baseline for recovery. The traveler and trips that defined 2020 will be the bridge as the market continues to stabilize through the full recovery. 2020 will have both fleeting and lasting impressions on the travel industry, and through this ongoing national research, Longwoods International will continue to inform America's travel industry as it navigates the recovery of domestic travel.

To learn more:

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