



United States-Market Update- Q1 2023

America Midwest/East -Market Update – Q1 2023

CORPORATE UPDATES

Chicago, IL

Buyers largely expect business travel to return to 2019 levels by the end of 2024, while some have even pulled 2019 guidance as optimal reference points, given that they forecast for 2023 are already slated to exceed 2019 numbers. Inflation and rising prices are the top concerns U.S. buyers have entering 2023, followed by travel disruptions and the possibility of a recession. This is particularly important as Travel managers have detailed information on their company's travel budgets and utilize these resources to succeed as business travel returns to pre-pandemic levels. Despite economic concerns, only one in five (19%) U.S. travel managers say their company has begun to implement a plan to limit business travel. Two-thirds report their company is either unlikely (28%) to limit business travel or are taking a wait-and-see approach (36%) before considering limiting business travel. This finding is critical for suppliers as they implement and refine their 2023 business planning, as well as for buyers who can benchmark their program according to what is happening among other companies. Key elements of the travel program are prioritized by travel managers and the C-Suite alike. Both senior leadership (65%) and travel managers (54%) alike prioritize cost savings the most, although executives prioritize cost savings slightly higher than travel managers. Travel managers (51%) rank traveler experience higher than executives (42%). Understanding what is most critical to senior leadership is essential information for travel managers to get buy-in when recommending and implementing changes to their travel program.

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AMERICA EAST MARKET UPDATE – Q1 2023

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- **Revenge Travel's Just Begun:** Think about it, 2022 was not a full year of revenge travel. While it may feel like years ago, Christmas/New Years and months into winter 2022 were plagued with a fierce onslaught of Omicron. The dam only really exploded during this spring with relaxed Covid measures. Those who have the money have not gone through a full cycle yet and are still willing to spend whatever it takes to travel in such a way that makes up for lost time. Further, we are seeing a larger booking window for summer 2023 after so many people got shut out last summer.
- **Demand will grow as markets reopen:** Many key markets like Australia, Japan and China are just opening and we expect them to flood the international marketplace in 2023 for the first time in 3 years, adding to market compression.
- **US Dollar remains strong** versus many currencies, giving Americans a strong incentive to travel internationally.
- **Hybrid work yields more flexibility for big trips:** We continue to see younger people investing in longer experiences that are far from home and for longer periods of time.
- **Airlines are adding more long-haul routes** which opens up more markets and the ability for people to find decently priced seats to get away.
- **We see rates and occupancy in early-to-rebound markets like Miami and Mexico** continue to deplete, but not because of recession; it's because the world has opened up and customers are shifting their destinations to places they could not get to before.

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