Student Travel

BUSINESS BAROMETER EXECUTIVE SUMMARY

2021

Student Travel Business Barometer is the only data resource of its kind for domestic and international student group travel.

The Student Travel Business Barometer was established by the Student and Youth Travel Association (SYTA) and BONARD in 2019. The report delivers an overall analysis of the student group travel market in 2021. It has established sector-specific and globally recognized consistent reporting, delivering trend data and insight into key developments shaping the industry. The full report can be accessed (here) and the following is a summary of the key findings and overall outlook for the near future, based on the data gathered from a stable sample of 103 tour operators and travel and education agencies from 19 countries worldwide.

In 2021, the industry continued to be affected by the pandemic, with sustained declines in the numbers of students traveling domestically and internationally. However, the student group travel sector also saw certain improvements, and there were a number of indications that tour operators changed strategies and adapted in order to retain business during the pandemic. Nonetheless, the economic impact on the industry over the past two years has been severe, with predictions for full recovery ramping up to 2024.

Domestic Travel

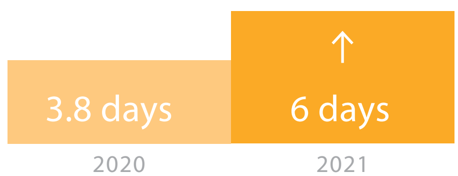
- Responding organizations provided domestic student group travel experiences for more than 80,000 students. This represents a 26% year-on-year decline over 2020.

- While there were fewer domestic trips than in the previous year, the **average trip duration increased** from 3.8 days in 2020 to 6 days in 2021. This indicated that those groups who were able to execute their travel plans opted for considerably longer stays.

- Considering key developments, 41% of surveyed tour operators and agencies **witnessed an increase of between 5% and 15% in total trip costs.** Such increase was predominantly driven by rising transportation costs.

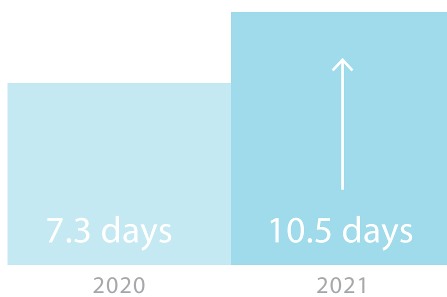
- Looking at the pipeline for 2022, **half the pre-booked business consists of new trips**, while 30% of the arrangements are postponements from 2020 and 19% are trips deferred from 2021.

- Student tour operators expect gradual market recovery and anticipate reaching 43% of pre-Covid-19 levels in 2022 and 63% in 2023. The majority of stakeholders anticipate a full return to 2019 levels in 2024.



DOMESTIC TRAVEL

The average trip duration increased from 3.8 days in 2020 to 6 days in 2021.



INTERNATIONAL TRAVEL

The average trip duration increased from 7.3 days in 2020 to 10.5 days in 2021.

International Travel

- In 2021, **the number of students taking international trips continued to decline**, with a 4% drop over 2020. This y-o-y drop was smaller than domestic travel, due to a sharper drop in international travel between 2019 and 2020 (a drop of 84%).

- The average duration of international trips was 10.5 days. Similar to the pattern seen in domestic travel, **student groups opted for longer trips than in 2020** (7.3 days in 2020).

- In relation to total trip cost, 30% of tour operators indicated an increase of up to 10% over 2019, driven by the increase in prices for transportation. Thirty percent of tour operators saw an increase in air transportation cost of over 15%.

- **Sixty percent of business in 2022 consists of new trips.** The remaining 40% of 2022 bookings are postponed trips from 2020 and 2021.

- **Student tour operators anticipate a slower recovery for international than for domestic travel.** They foresee reaching 29% of pre-pandemic booking levels in 2022 and 46% in 2023.

Economic Implications of Covid-19

- USA- and Canada-based tour operators and travel agencies noted that their business operations were reduced by 86% in 2020 and 82% in 2021 compared to 2019 levels.

- In absolute figures, 52 tour operators reported a loss of US$638 million for the whole of 2021 as a direct result of the Covid-19 pandemic.

SYTA
The Voice of Student & Youth Travel®

About the Student & Youth Travel Association

SYTA *(www.syta.org)* is the non-profit, international professional trade association that promotes student and youth travel and seeks to foster integrity and professionalism among student and youth travel service providers. SYTA is "The Voice of Student and Youth Travel ®."

BONARD

About BONARD

BONARD *(www.bonard.com)* is an independent market research provider with 15 years' experience in the student travel industry. Leveraging evidence-based solutions, it assists governments, destinations, and individual providers to create bespoke strategies and policies. The company is a United Nations World Tourism Organization (UNWTO) Affiliate Member as well as a member of ESOMAR World Research.

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Outlook for Recovery

- The pace of recovery remains slower than in other education sectors. Student tour operators and travel agencies expect student group travel to return to 2019 levels in 2024 or later. However, easing mobility restrictions and increasing confidence from students and parents is helping to release the pent-up demand for student group travel.
- For international travel, rising cases of Covid-19 and the Russian invasion of Ukraine at the beginning of 2022 will rattle the pace of recovery and affect travelers' confidence in the first months of 2022.
- However, the student group travel sector is poised for further growth in the long-term, and student tour operators and travel agencies will need to be flexible so they can quickly overcome staff shortages when the market picks up the pace.

Strategic Shifts

- While international student group travel will recover at a slower pace, domestic tourism will continue to drive the return to pre-Covid-19 levels. According to the survey, 79% of tour operators and travel agencies claim their customers will opt for domestic rather than international travel and will choose to travel within the same state/province.
- Student tour operators and travel agencies will shift to longer trips in order to maximize trip value and increase revenue.
- Seventy-three percent of tour operators and agencies note that, due to the health and safety requirements imposed in destinations, teachers will be less willing to organize school trips; thus, a more active role of student tour operators and suppliers in notifying changes to health and safety measures might be needed.
- To avoid urban locations, it is predicted that more trips will be booked to Tier 2 cities than Tier 1 cities in 2022. Domestic travel will be focused on national parks and outdoor venues.

Workforce Changes

- The surveyed tour operators reported that they cumulatively employed 2,670 staff in 2019, of whom 58% were released from their contracts in 2020. Hence, rebuilding the workforce will remain a challenge in 2022.
- In 2022, operators surveyed plan to hire 580 more employees. These new entries into the tourism industry workforce will have major implications for training in the future as well as financial implications in terms of higher salary demands, work-life flexibility, etc.

79%

OF TOUR OPERATORS AND TRAVEL AGENCIES CLAIM THEIR CUSTOMERS WILL OPT FOR DOMESTIC RATHER THAN INTERNATIONAL TRAVEL AND WILL CHOOSE TO TRAVEL WITHIN THE SAME STATE/PROVINCE.

World Events and Student Travel

- The surge in oil prices, increase in inflation, potential rise in interest rates, and continued disruption in supply chains will translate into an increase in trip prices for student group travel, both domestically and internationally. An increase in the overall trip prices could lead to a shorter average trip duration in 2022 or more creative ways of keeping the student travel experience affordable.
- While there is cause for optimism that the Covid-19 Pandemic is now entering an endemic, rather than a pandemic stage, the residual effects of mask mandates, vaccination requirements and general inconsistent standards for travel worldwide will continue to slow the pace of recovery, particularly for international travel.

CONCLUSION

Ongoing pandemic concerns, economic conditions and the Russian invasion in Ukraine will continue to cause hesitancy to travel in school administrators, teachers and parents in the foreseeable future. However, the majority of tour operators surveyed in this Barometer are optimistic for full recovery – that is a return to 2019 levels of travel – by 2024.

To reach this goal, however, the data indicates that student and youth operators will be challenged to find new ways to promote safety measures and reassure their clients that they will be their partner in providing safe and financially protected travel experiences. More aggressive promotion, employee incentives, training and proactive partnerships among destinations can all contribute to higher levels of recovery in 2022 and beyond.

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