



From checkout to check-in.

A guide to changing traveller behaviours.

Report based on exclusive research commissioned by PayPal in France, Italy, and Spain.



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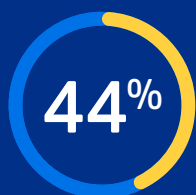
The travel industry has been unpredictable over the past few years, yet positive change has rippled across the market in the last 18 months. There has been a surge in travel bookings, with more consumers looking to travel even if they do have a more fiscally conscious mindset. Consumers may be putting a magnifying glass over the costs of trips but economic uncertainty isn't slowing them down — some even plan to travel more than before and are refusing to cut costs on any aspect of their travel.

First-class insights.

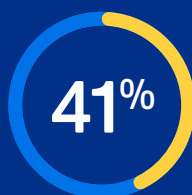
With such a positive outlook for the sector, you might be looking to grow and optimise your business by adapting to the new needs of your customer.

Read on to discover fresh and exclusive insights from PayPal's commissioned research with travellers in France, Spain, and Italy. See how a deeper understanding of your customers' concerns and challenges can be used to better understand traveller profiles, improve the customer experience, inspire confidence and trust in your brand, and ultimately grow your travel business.

Online market research was conducted across three markets, namely France (n=1,015), Italy (n=1,018), and Spain (n=1,012), with the objectives of understanding the role that PayPal plays as a payment partner in travel and tourism for businesses relative to other providers, what consumers look for in preferred payment options, and how this relates to their online travel booking experience.



of travellers in France, Italy, and Spain say travel plans haven't been impacted at all, or they have actually travelled more than initially planned.



of consumers agree they might take fewer trips but won't reduce the cost of any single trip.



say they are paying more attention to the cost of a trip than before.

Understanding changing customer behaviours.

The blurring of leisure and business travel.

The pandemic caused a paradigm shift in how many approach work, leisure, and the intersection of the two. The popularity and possibility of remote work have made it easier than ever to travel and work globally, leading to a rise in digital nomads and a blended traveller profile: the 'workation' traveller.

Whether these travellers extend their stays while on a business trip to enjoy the destination or plan leisure trips with time to explore scheduled around work, the most frequent business travellers are also the most likely to make time for leisure while travelling. And for those who do blend business and leisure travel, more than half say they are doing this more frequently now, compared to pre-pandemic, which shows a shift in prioritising wellness and work-life balance.

Of those that do travel for business, Italians are most likely to always make time for leisure, while French travellers are most likely to occasionally or never make time for leisure during trips. And in the future, Spanish travellers expect to combine work and leisure more often.



Flexible booking and cancellation policies had the biggest impact on who a consumer decided to make an online travel booking with.

Catering to this new type of traveller may mean highlighting flexible booking options, multiple payment methods, and business benefits like fast Wi-Fi and suitable workspaces. This trend shows no signs of slowing down, with more and more travellers believing that blending work and holiday is more efficient, cost-effective, and environmentally responsible.

Leisure travel by the numbers:

58%

travel two to three times a year.

9%

travel more than five times a year.

6%

travel four to five times a year.

The environmental impact.

Sustainability remains an important consideration for the travel sector, with three in five consumers considering the environmental impact of their journey when booking. A similar proportion of consumers say they like to be informed about their environmental impact, and use more sustainable travel alternatives if they can. Air travel may still be the most popular option, but trains are an increasingly popular alternative as consumers look for cleaner, greener travel methods.

3 in 5 consumers say they use more sustainable travel alternatives when possible.

One way to accommodate this sustainability focus is to highlight hybrid travel options and ethical travel experiences or list emissions next to transportation options. Another is transparently sharing eco-friendly initiatives, showing how your brand is making an impact, and giving consumers a reason to align with your brand.

Travel as self-care.

Another popular trend that has emerged over the last few years: travelling to improve well-being. The majority of consumers are booking travel with wellness in mind and selecting options that prioritise personal health. And while this trend is currently the most popular in Spain and France, Italy is not far behind.

4 in 5 consumers have taken trips or holidays with wellness in mind.

With 75% of respondents likely to take more wellness-related trips, the wellness trend isn't cooling off anytime soon. Besides offering spa treatments, retreats, and immersive experiences, an excellent way to highlight stress-free travel is to be transparent about your amenities and services, provide responsive support, and list local reviews and recommendations that promote wellness.

Your travel consumer's experience, whether for business or pleasure, begins at the point of booking their trip. Over four in five consumers (81%) say they tend to make decisions when booking travel that will reduce stress during a trip, so the last thing a travel business wants to do is add to their frustration. It all starts with optimising and personalising the customer journey, creating a streamlined booking experience.

How this can grow your business.

Grow your business with a globally recognised payments and commerce partner that provides flexible, secure payment options.

Understanding your customer is key to the success of your business. Whether they be a 'workation' traveller, a sustainability-minded traveller, or someone who associates travel with self-care, understanding their expectations and needs will better place your business for growth and success.

Your knowledge of your customer can increase conversion and reduce cart abandonment based on your understanding of their preferred payment options. Supported by a stronger, more resilient payments and commerce network, you'll enable revenue efficiencies and also improve your customer experience.

The deep understanding of your customers will also enable a drive to encourage repeat purchases. Combined with having a payment solution like PayPal across your product and checkout pages, it is also highly likely that you might experience higher average order values too.



Improving the customer experience.

Making it personal.

Just as customer behaviours have evolved, so have expectations. 40% of consumers that make travel and transport payments pay online, and from checkout to check-in, those consumers value a hassle-free, personalised experience. Across all markets, the most significant barriers to booking travel online stem from poor customer reviews and experiences.

53% cited that poor customer reviews stopped them from booking.

40% cited poor brand reputation.

38% cited bad experiences of friends and family.

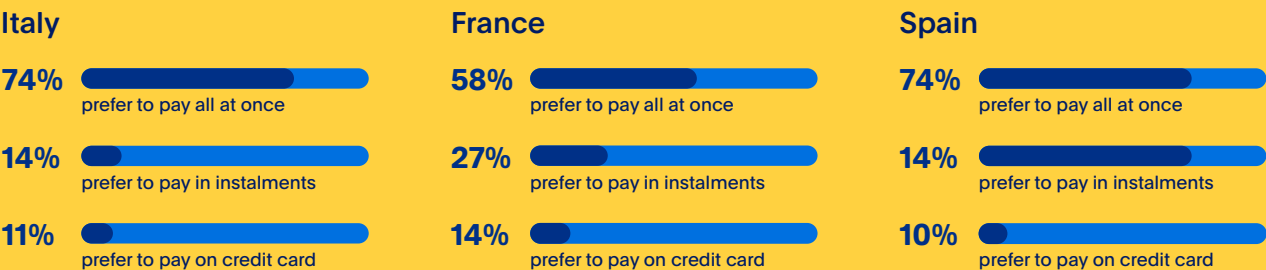
With customers valuing personalised, quick, easy experiences, it pays to optimise and simplify your checkout experience. A seamless and simple booking process for your travel business can help you to provide an incredible customer experience, increase customer loyalty, and encourage the customer to checkout.

Pay their way.

Just as customer behaviours have evolved, so have expectations. 40% of consumers that make travel and transport payments pay online, and from checkout to check-in, those consumers value a hassle-free, personalised experience. Across all markets, the most significant barriers to booking travel online stem from poor customer reviews and experiences.

And there is a consumer demand for alternative ways to pay. Studies show that 56% of consumers are more inclined to finalise a purchase if a Buy Now Pay Later (BNPL) option is available.² With PayPal BNPL, businesses can improve their average order value. For example, AOL increased their Average Order Value (AOV) by 6% compared to competitors' BNPL AOV.²

When making a travel-related booking online:



¹Ipsos survey, commissioned by PayPal, August 2022. Ipsos conducted a survey amongst ~8,000 consumers in FR, IT, ES, PT (~2000 per market) during April/May 2022. Base: Nationally representative of general population France (286 per vertical). *Pay online = pay via smartphone OR laptop/computer/tablet OR using an app.

²TRC, commissioned by PayPal, April 2021. TRC conducted a 20-minute online survey amongst 1,000 UK consumers aged 18+. Base: BNPL users n=303. This data is based on AOV for consumer's last purchase with PayPal compared to the AOV of the consumer's last purchase with six other most used BNPL brands in the UK; Q3, 2021.

Flexibility drives loyalty.

Another factor consumers consider important is flexible booking and cancellation. With travel restrictions and flight cancellations still top of mind for many consumers, these options give travellers peace of mind. Last-minute changes are often inevitable, and offering travel flexibility is good for customers and drives loyalty for businesses.

Travel as self-care.

Optimise your business and simplify your checkout with a payments and commerce partner that offers a flexible, end-to-end payments platform.

Delivering the moments of delight through incredible customer experiences can be achieved primarily through simplifying your checkout process, giving customers a choice of payment methods, and letting them pay the way they want to pay for their travel.

Just as understanding your customers can increase conversion, so can an incredible customer experience based on that knowledge. An improved customer experience will also contribute to an uplift in customer engagement, trust, and loyalty. The combined impact of this will be seen in your bottom line as your business revenue increases.



Protecting your business and building trust with customers.

What's concerning consumers when it comes to data protection and fraud?

Data protection and fraud are top of mind for travel consumers, with the data showing that 98% of respondents are concerned when making travel-related bookings online. Being wary of putting personal information into an online booking platform, not trusting some online booking vendors due to negative media, and knowing someone affected by fraud all play prominent roles in how this concern affects consumer behaviour. In particular, those in France are wary of sharing personal information on websites, significantly more so than in other markets, while negative media about booking vendors has more of an influence on those in Spain.

The primary concern about data protection and fraud when making a travel-related booking online lies in the risk that someone (a third party) will use payment details to make a purchase, followed closely by the concern that personal data will be leaked and misused for advertising.

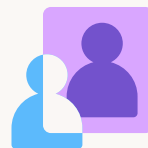
Much of this consumer concern boils down to trust: do they trust the online booking platform they're using to keep their personal and payment data safe? Without trust, customers may be more inclined to abandon a purchase at checkout.



48% worry about someone using their payment details to make a purchase.



38% are concerned their personal data will be leaked/misused for advertising purposes.



13% worry they'll become the victim of identity fraud.

Transparency equals trust.

When asked what would help consumers to feel more secure when making travel-related bookings online, having reassurance from the travel provider that data is being processed safely and receiving clear communication regarding how data is being used and stored were the most important factors.

Transparency goes a long way in helping to reassure customers and can positively impact your brand too.

The data has shown that poor customer reviews and brand reputation negatively affect a consumer's decision to book, but by creating more transparency around how you use and store data, you can have a positive impact on customers' trust.

Another way to inspire confidence? Provide secure, high-converting payment options with strong fraud-protection capability. Your solution should address identity authentication, account takeover, and chargeback fraud and optimise authorisation rates. More specifically, a machine-learning-based fraud management solution helps mitigate risk.

How customer trust can benefit your business.

Create trust, confidence, and reliability with a payments and commerce partner that will help manage and mitigate risk — protecting your business, your partners, and your customers.

Improving customer trust and security, as well as safeguarding your business against fraud, with robust security and risk management systems will provide you with an uptick in customer loyalty. If they feel safe with a trusted business they're more likely to come back to you for repeat business.

A trusted brand³ like PayPal, with strength, reputation, and familiarity, also brings an additional level of security and confidence to the customer. With over 400 million global active customer accounts, over 100 currencies accepted, and a highly recognised payment provider, using PayPal will enable you to attract new customers at home as well as new cross-border customers.



³66% of consumers trust PayPal to keep their payments secure. Source: PayPal e-Commerce Index, 2022. Research report was produced by PayPal, based on a study conducted by ACA Research with n=15,221 consumers and n=4,604 businesses.

Conclusion — PayPal powers travel.

The customer experience starts well before take-off. Understanding your customers' preferences and expectations is important, but so is providing them with a seamless, hassle-free, straightforward planning and payments process.

PayPal is along for every step of the journey, from the moment they book to arriving home again. Our payments platform can offer more simplicity, ease, choice, and value, helping you capture new customers, encourage loyalty with existing customers, and take advantage of growth opportunities when they arise. Go further with PayPal.

To learn more about Enterprise solutions, visit:

France: paypal.com/fr/enterprisesolutions

Italy: paypal.com/it/enterprisesolutions

Spain: paypal.com/es/enterprisesolutions



Reach customers across
the globe: **400M+ active
customers.**



With local payment
methods: **100+ currencies.**



And priceless data:
leverage customer
insights from over **22B
transactions currencies.**

Disclaimers: All stats are taken from the following research unless indicated otherwise: PayPal Travel in Southern Europe, Savanta, March 2023. PayPal commissioned research, conducted across three markets: France (n=1,015), Italy (n=1,018), and Spain (n=1,012).

The content of this ebook is provided for informational purposes only. You should always obtain independent business, tax, financial, and legal advice before making any business decision.