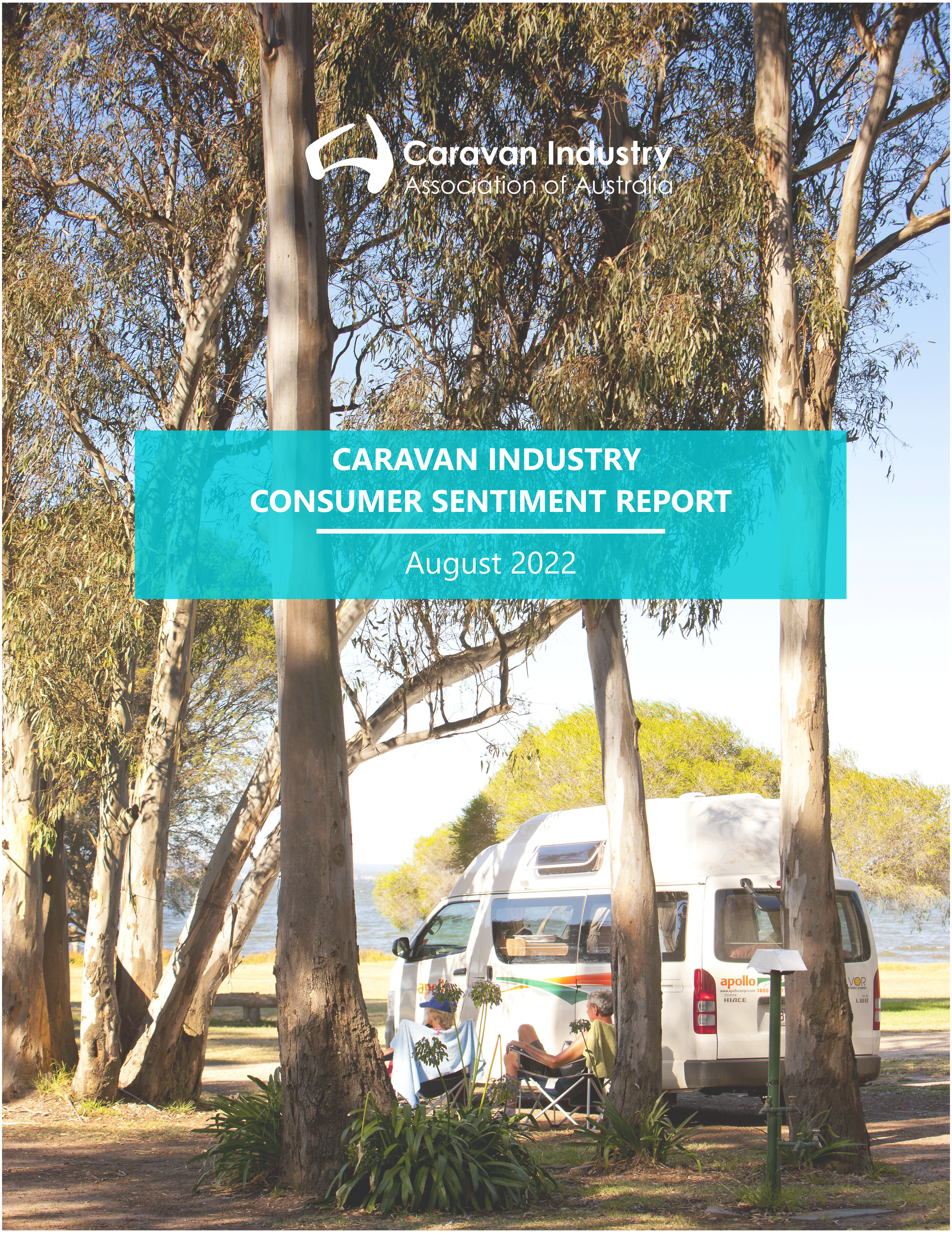
Caravan Industry
Association of Australia

CARAVAN INDUSTRY CONSUMER SENTIMENT REPORT

August 2022



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Working collaboratively with member State Associations on research that benefits the Caravan and Camping Industry

Cover Image: Visit Victoria, Mallacoota Caravan Park

CONSUMER SENTIMENT REPORT

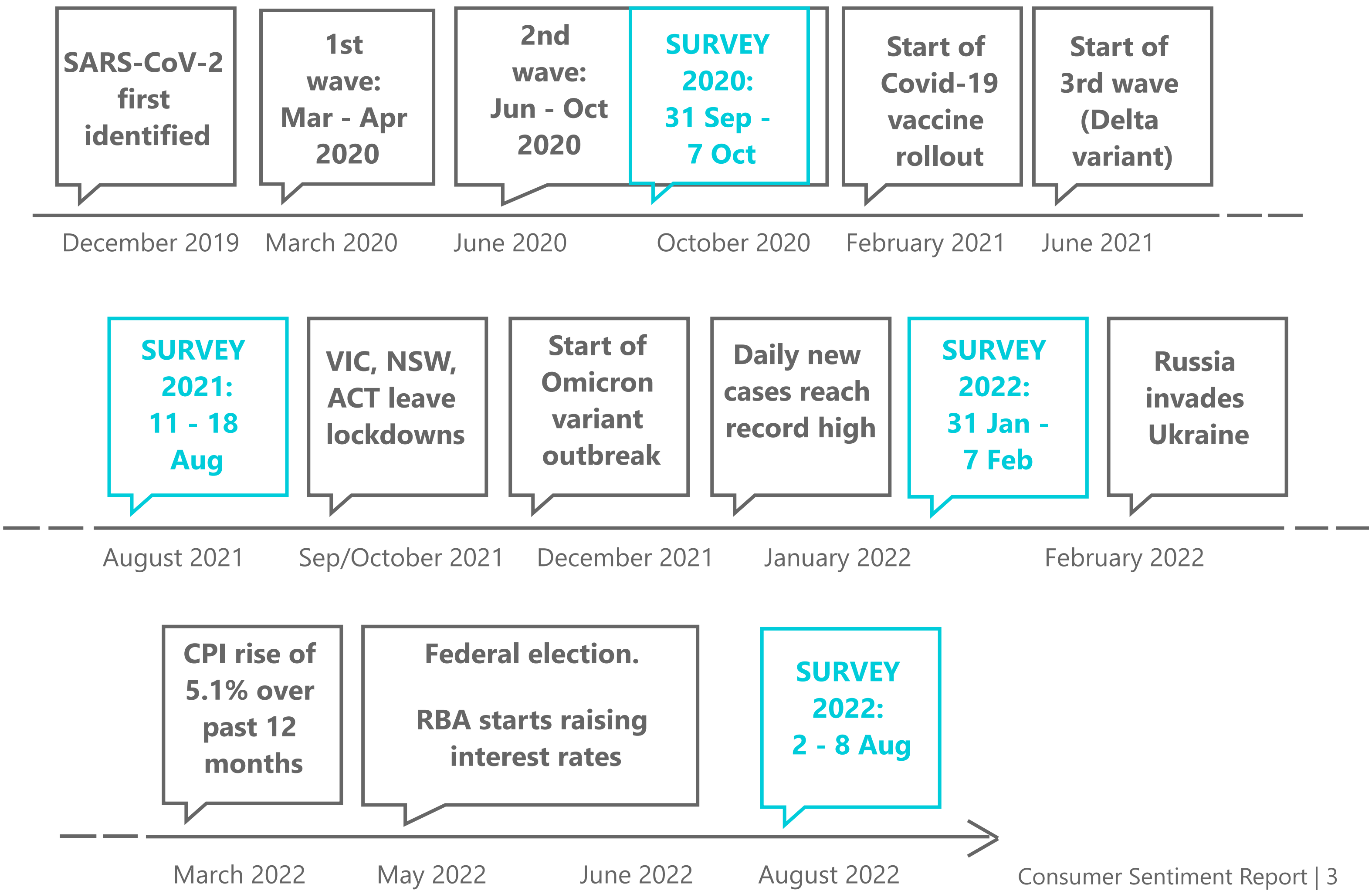
The Caravan Industry Consumer Sentiment Report provides insights into the opinions and intentions of caravan and camping consumers.

The report examines trends relating to current mood, travel sentiment and holiday intention. Where possible, responses from previous consumer sentiment surveys conducted in October 2020, August 2021 and February 2022 are included.

Data is collected using an online survey delivered to a database of Australian caravan and camping consumers.

For this survey, 1038 responses were collected during one week commencing 2nd of August 2022.

Note that state level analysis for Australian Capital Territory, Northern Territory and Tasmania is not provided due to low sample sizes. Sample confidence for segments aged under 30 years is low.



KEY FINDINGS

Mood is up however long-term financial confidence is down. With most pandemic-related restrictions retracted and high vaccination rates around the country, Australians seem to have adapted to life with COVID-19. However, since the start of the year, events including the war in Ukraine, floods along the East Coast, rising inflation and interest rate hikes have resulted in new uncertainties. Faced with increased cost of living expenses, consumer confidence has fallen to levels last seen at the beginning of the pandemic.

Strong demand for caravan and camping. Despite the challenging environment, caravan and camping remains resilient. More than 60% of respondents plan to go caravan and camping in the next six months with high demand expected over the summer holiday period.

Mixed feelings about international travel. Amid high costs and complexities around international travel, demand has remained subdued with the majority of respondents indicating that they will not be planning an international trips until after the second half of 2023 and beyond. This points towards continued demand for domestic travel over the next 12 months as Australians seek local experiences and ease of travel.

Price levels and COVID-19 rates influence travel behaviour. With high fuel prices and COVID-19 resurging in terms of infections and hospitalisations, consumers are recalibrating the factors they consider when making travel decisions. Moreover, to mitigate rising pressures on household budgets, staying longer in one place and travelling shorter distances emerge as likely strategies. Despite rising cost of living expenses, the majority of Australians are not prepared to delay or cancel trips.

SECTION 1

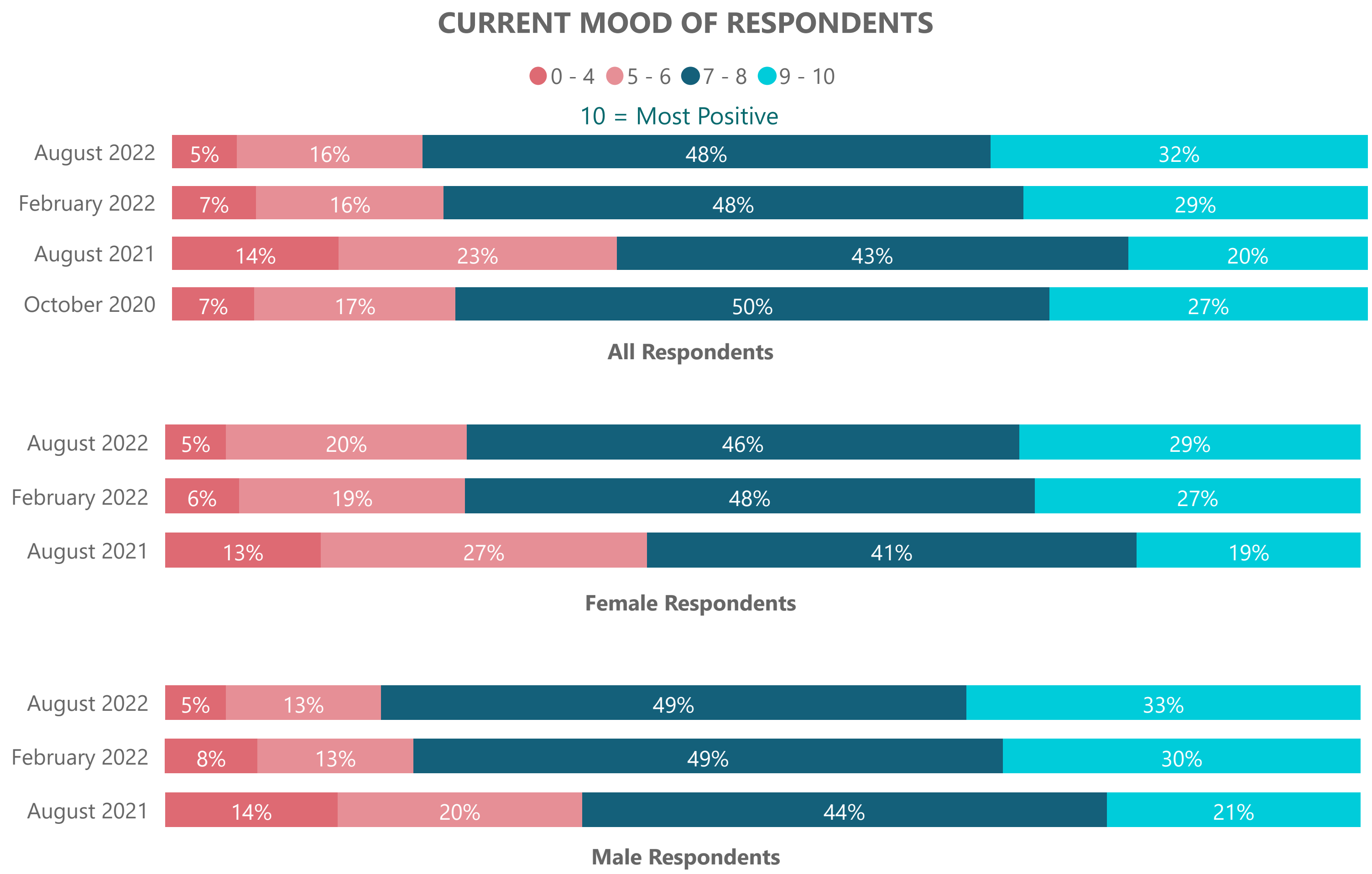
CONSUMER OUTLOOK AND TRAVEL SENTIMENT

AVERAGE MOOD SCORE INCREASES FURTHER FROM FEBRUARY 2022

As Australians adapt to live with COVID-19, **average mood** reached 7.62 in August 2022, up from 7.49 in February 2022. This is despite a challenging economic environment with rising cost of living pressures and global uncertainties.

As in previous surveys, **male respondents** were slightly **more positive** than females. **65+ years old** respondents continue to record the **highest mood** scores, whilst younger age groups score lower.

On a state level, **Queensland** has the **highest average mood score**. However overall, respondents across all states had a positive outlook.



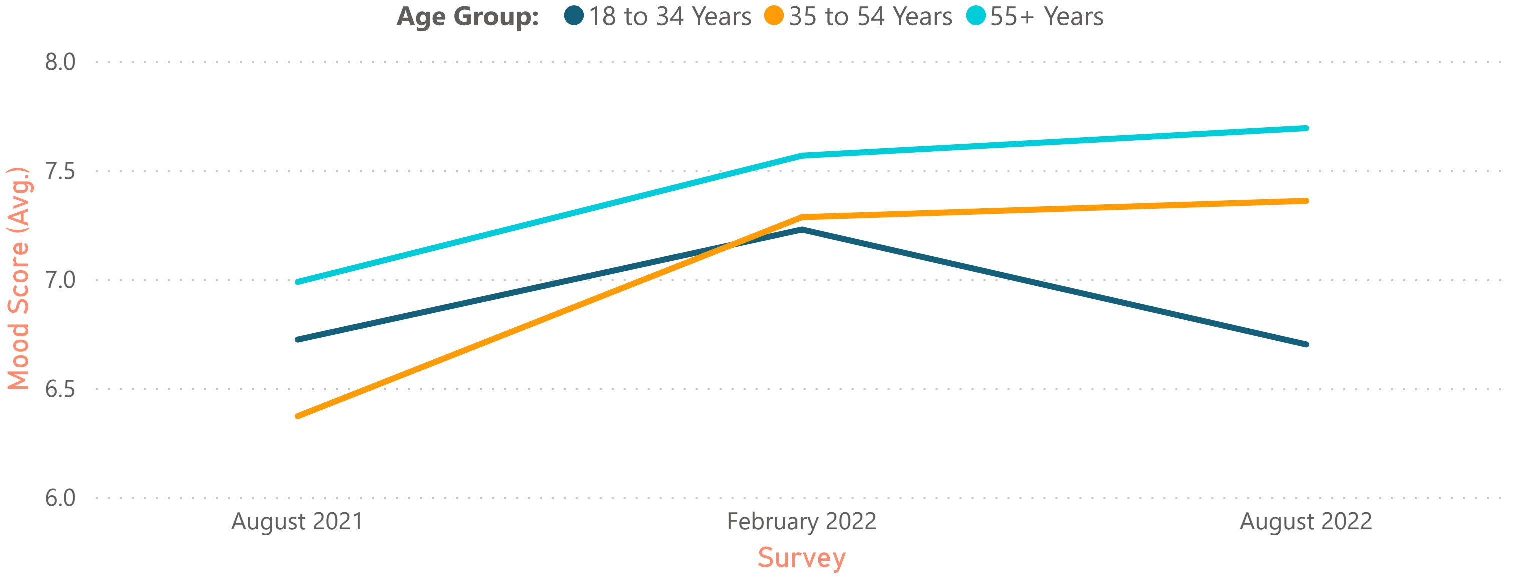
AVERAGE MOOD SCORE IN AUGUST 2022 HIGHEST ON RECORD

AVERAGE MOOD SCORE BY SURVEY

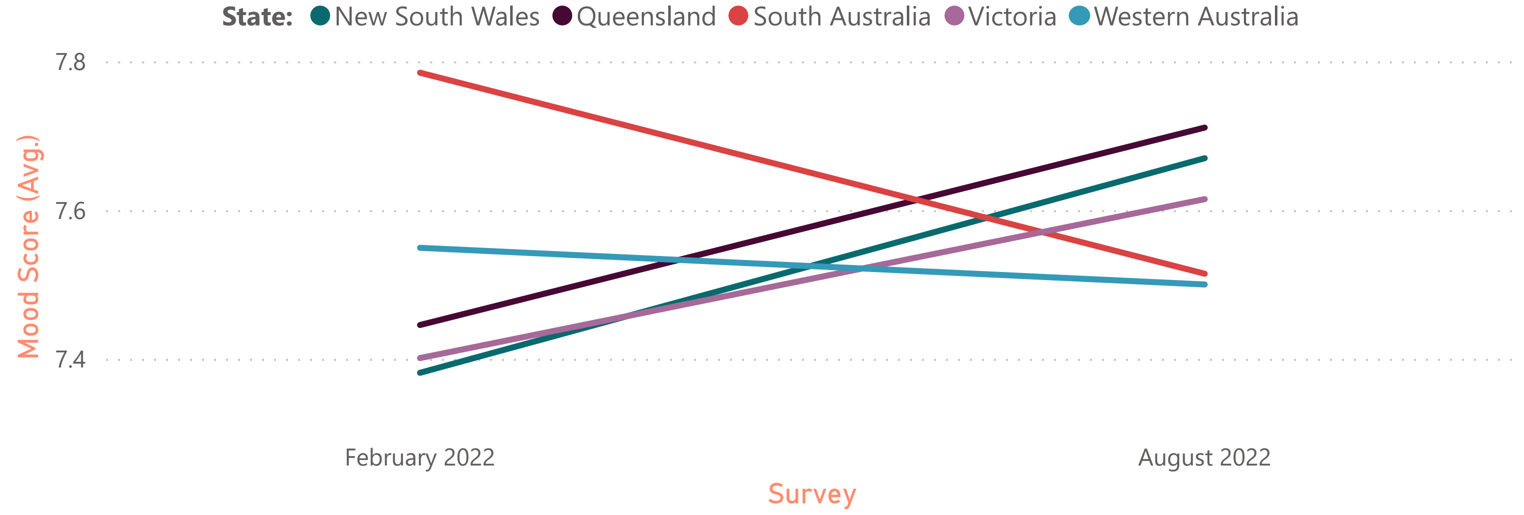
7.62	7.49	6.83	7.43
SURVEY AUGUST 2022	SURVEY FEBRUARY 2022	SURVEY AUGUST 2021	SURVEY OCTOBER 2020

10 = Most Positive

AVERAGE MOOD SCORE BY AGE



AVERAGE MOOD SCORE BY STATE



LONG-TERM FINANCIAL CONFIDENCE HAS DIPPED

28%

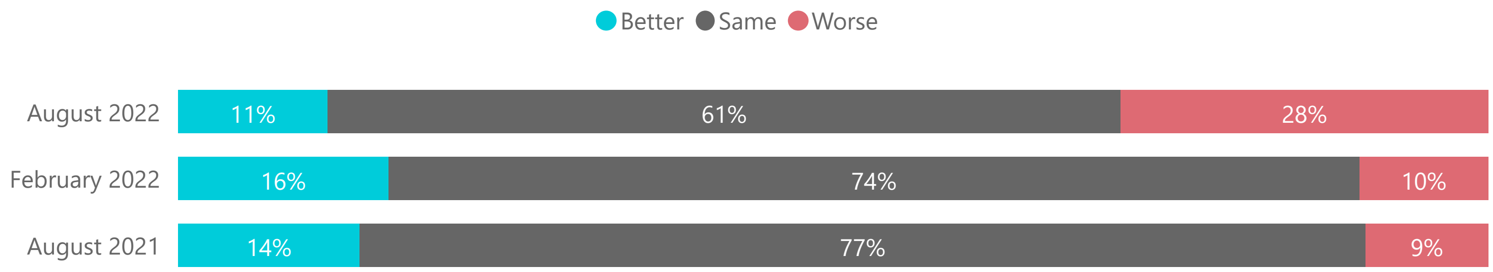
of respondents think their household will be worse off in the next 12 months!

Amid rising pressures on household finances due to increased cost of living expenses, **outlook on the financial future** among respondents is **less positive.**

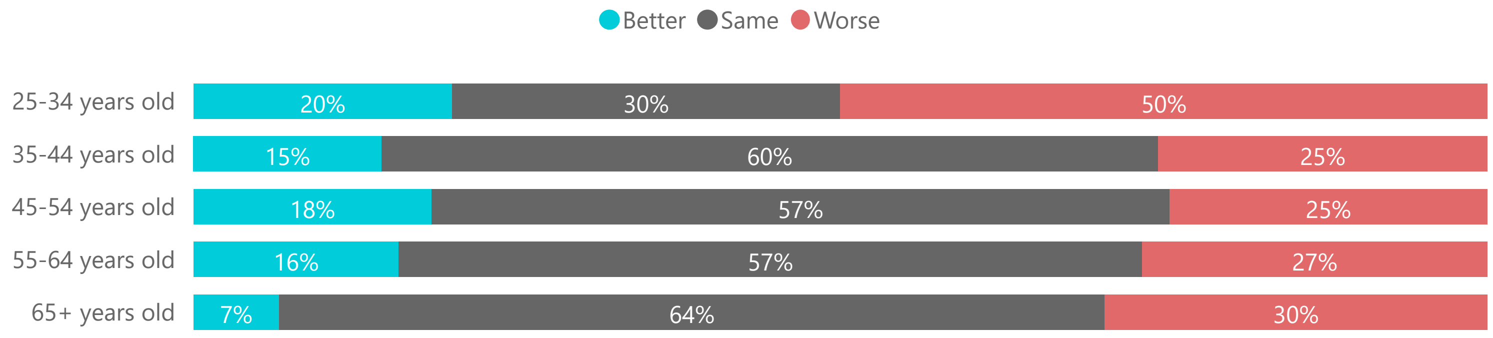
The share of respondents that expect their household situation to get worse has increased 18 percentage points. Younger age groups seem to be more pessimistic about their long-term finances compared to older segments.

At the same time, the share of respondents that expect their household to be in a better situation in the next 12 months has declined from 16% in February to 11% in August 2022.

EXPECTED HOUSEHOLD SITUATION IN NEXT 12 MONTHS



EXPECTED HOUSEHOLD SITUATION IN NEXT 12 MONTHS BY AGE SEGMENT AUGUST 2022



HIGH COMFORT SENTIMENT FOR CARAVAN AND CAMPING

94%

of respondents feel comfortable staying in a caravan park

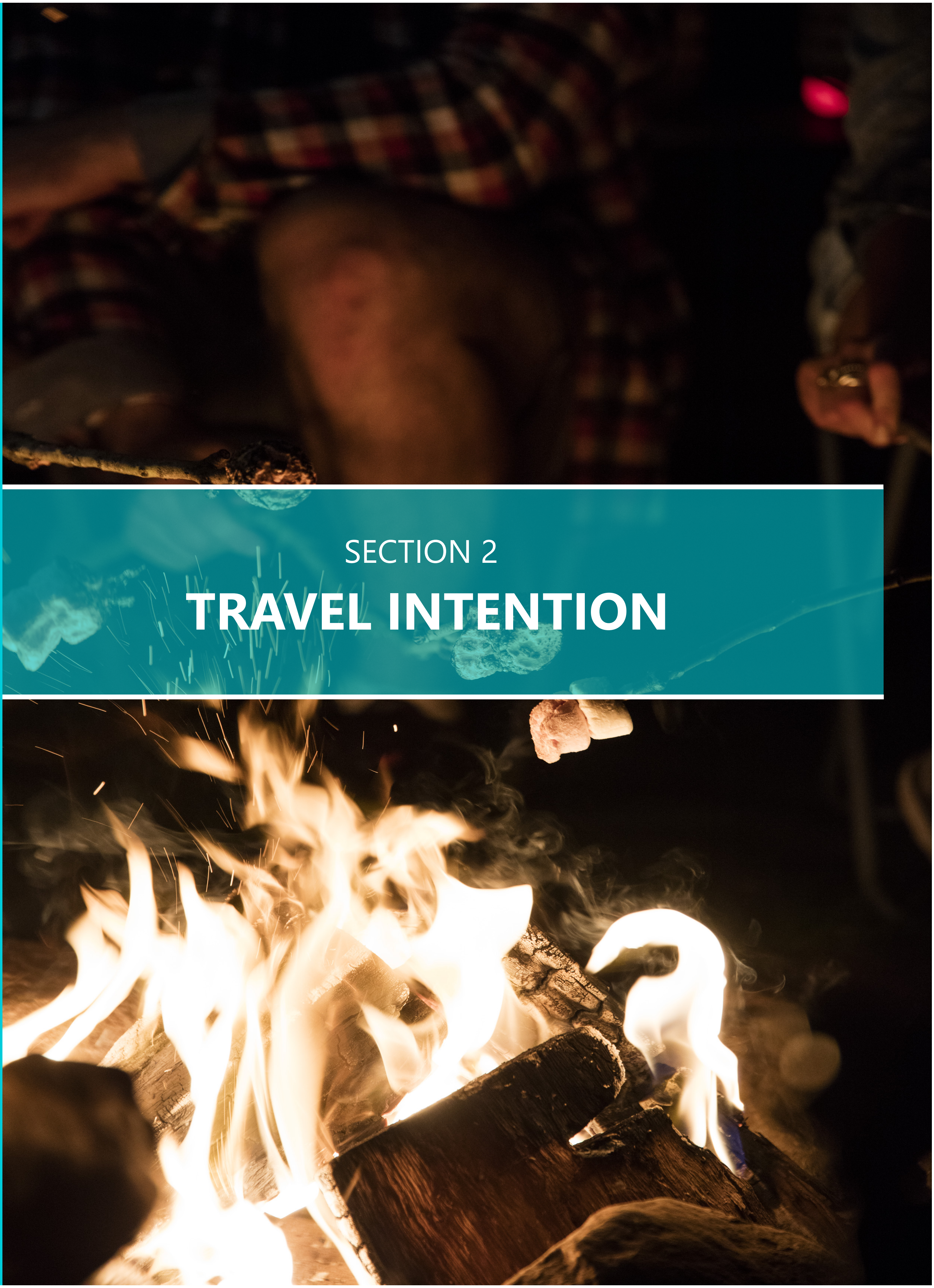
Travelling with **own vehicle (98%),** undertaking a **regional holiday (96%)** and staying in a **caravan park (94%)** continue to rank highest.

At the same time, undertaking a **city break** and **going on a cruise** recorded increases in comfortability levels from previous surveys.

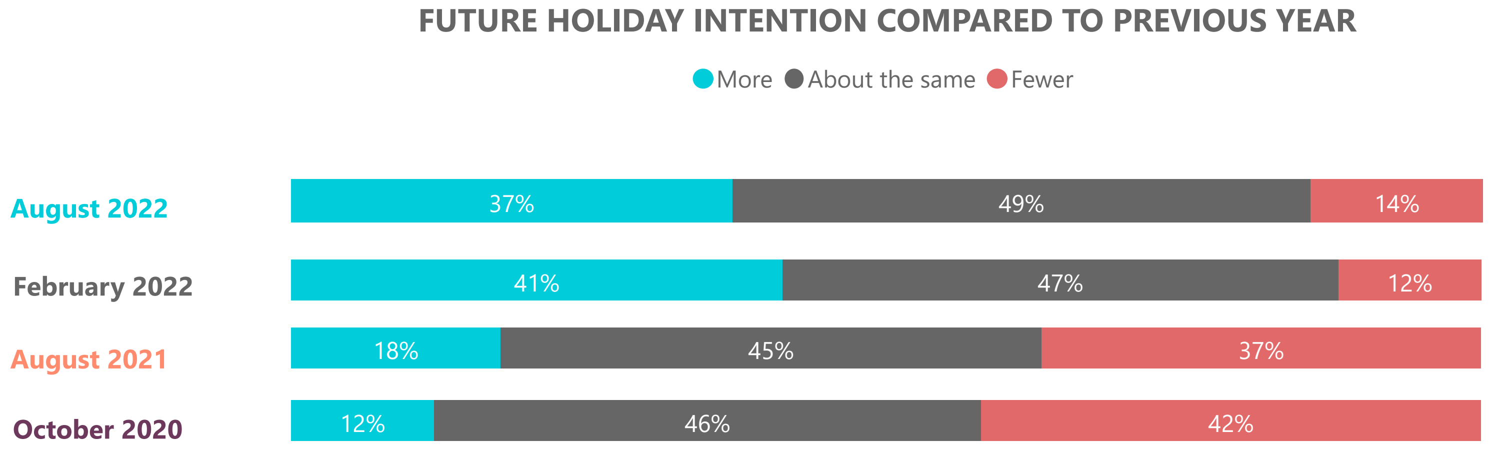
HOW COMFORTABLE WERE RESPONDENTS TO...

SECTION 2

TRAVEL INTENTION



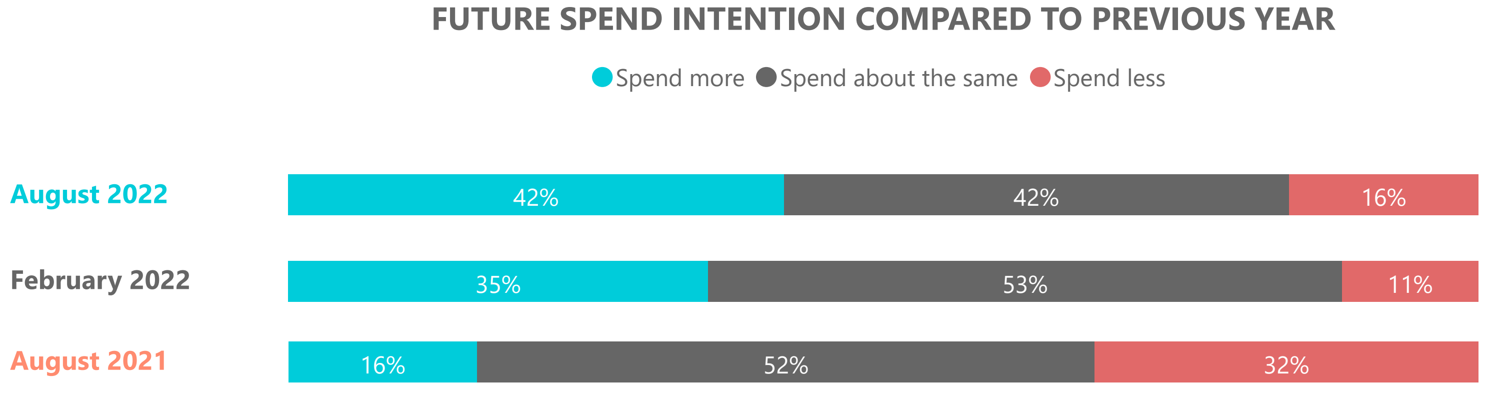
TWO IN FIVE RESPONDENTS INTEND TO SPEND MORE ON TRAVEL IN 2022



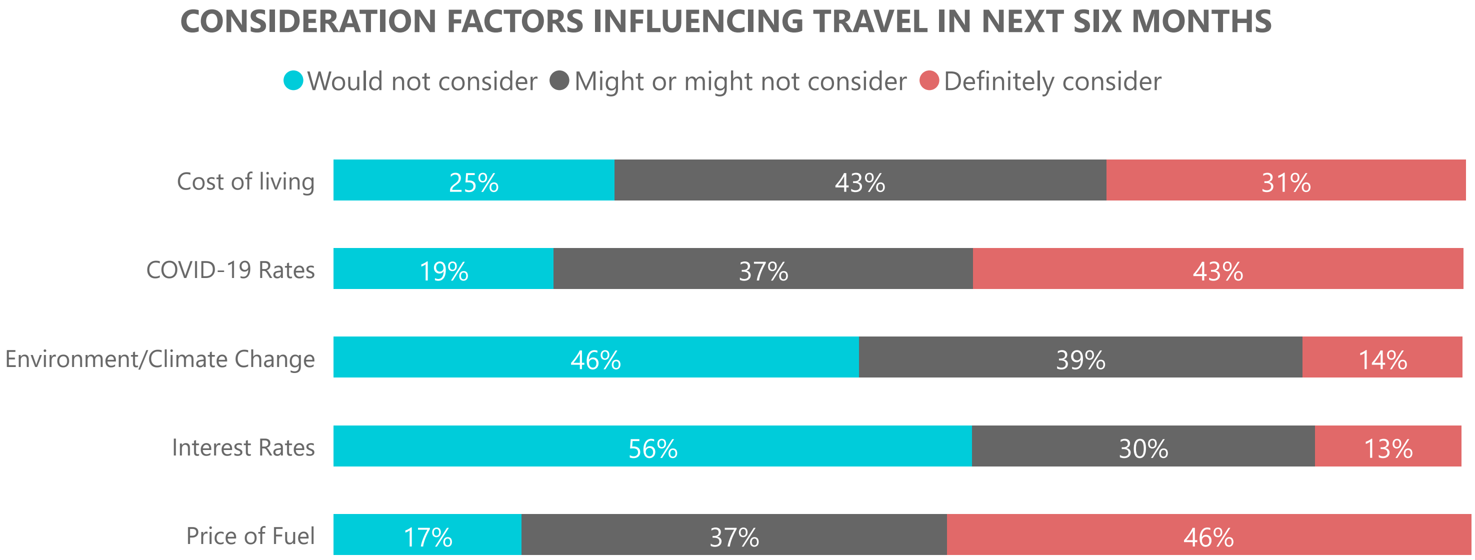
The share of respondents **intending to take more holidays** in 2022 compared to 2021 has **decreased to 37%** while more people (49%) are now indicating they will be taking about the **same amount of holidays as the previous year**. This suggests that Australians are beginning to 'return to normal' with their travel routines as post lockdown demand surges become a thing of the past.

The share of respondents that **intend to spend more on travel has increased to 42%** which may be indicative of both increased trip duration compared to previous year, as well as increased international expenditure as Australians begin to travel overseas for the first time.

There has been 5 percentage point increase in respondents **intending to spend less** on travel this year compared to last year. Although too early to measure, this may be indicative of households tightening their budgets due to increased financial pressures.



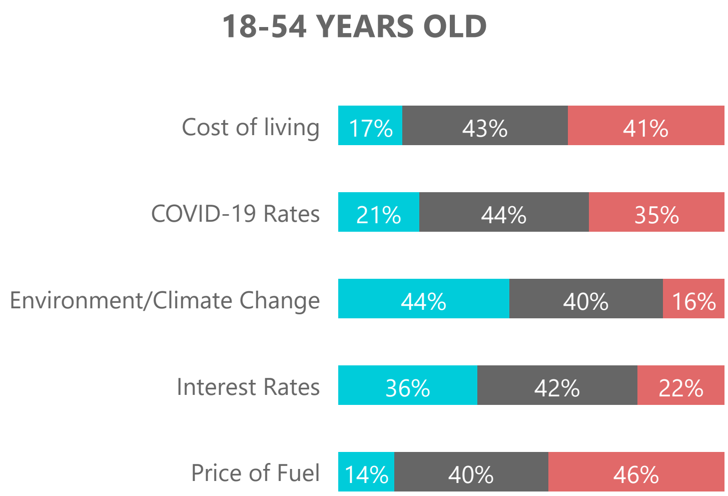
FUEL PRICES & COVID FRONT OF MIND IN TRAVEL DECISIONS

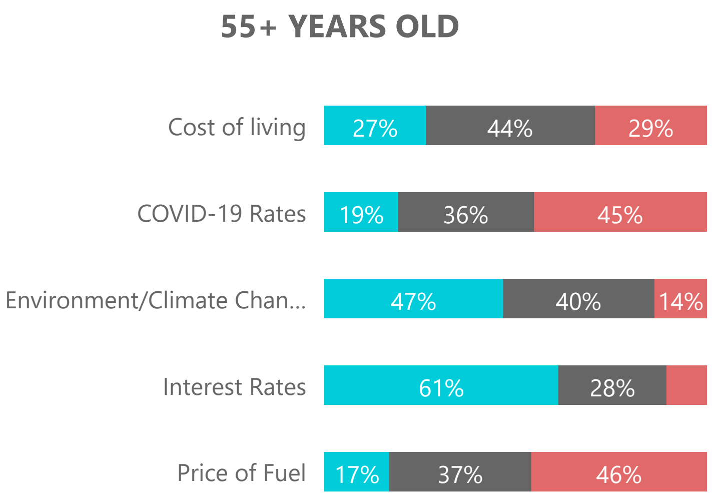


As fuel costs and COVID-19 rates raise (at time of survey), it is not unexpected that these factors are playing in to the consideration factor of consumers in their travels over the next six months.

Respondents remained undecided regarding the impact of cost of living, with 43% indicating it **may or may not influence their travel**. This suggests a level of 'wait and see' among consumers on the potential impact of interest rate rises and inflation.

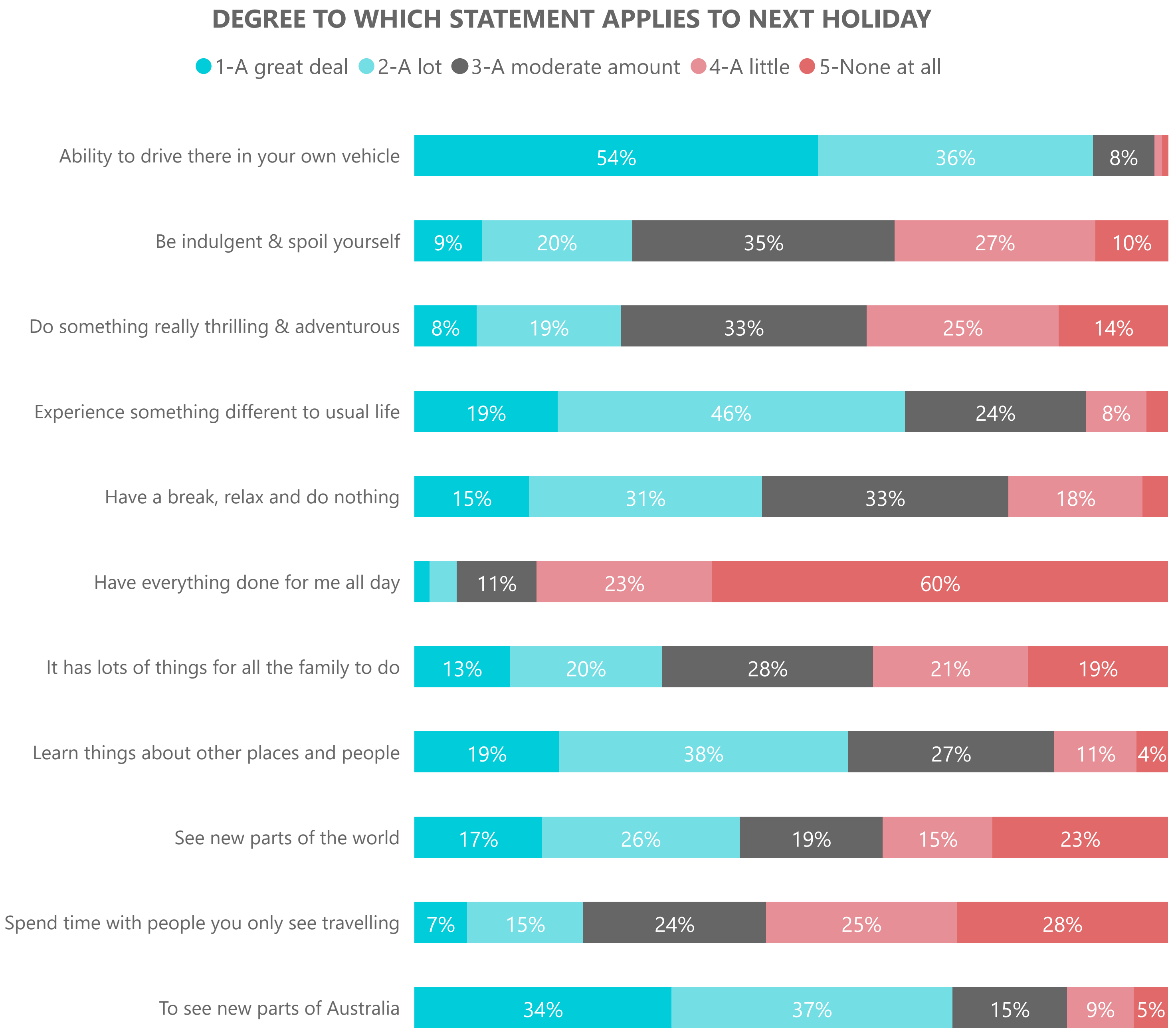
While **cost of living was an important factor** for 41% of respondents aged 18-54 years old, it was less important for the 55+ year old market. Instead **COVID-19 rates are top of mind**, considered by 45% of respondents.





NINE IN TEN WILL USE OWN VEHICLE FOR NEXT HOLIDAY

On their next holiday, caravan and campers were **keen to explore Australia** (71%), **experience something different** to usual life (65%) and to **learn something about place and people** (57%). This continues to show the value of caravan and camping in connecting Australians to regional destinations, and to the local stories of people and places they visit.

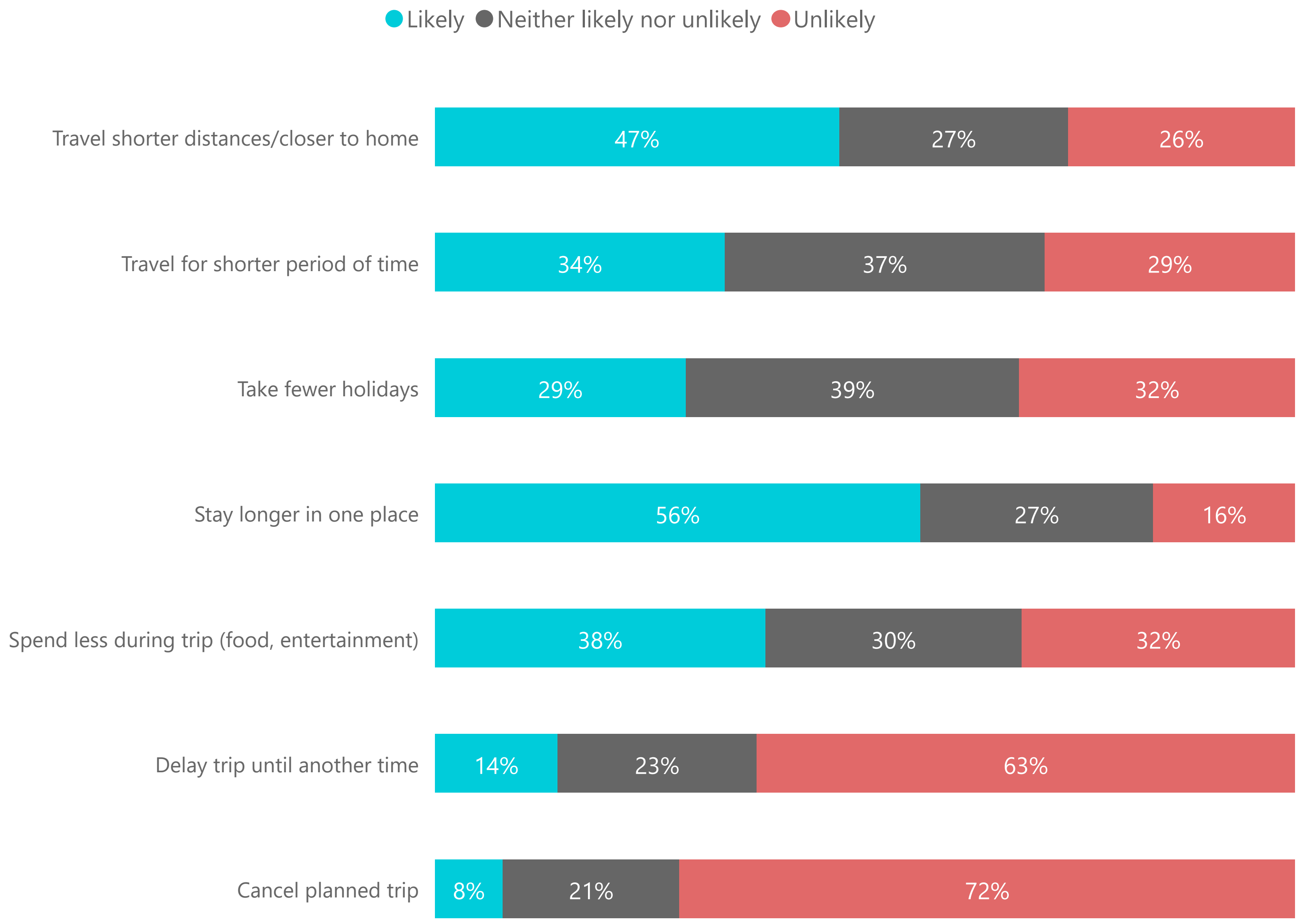


RISING LIVING COSTS UNLIKELY TO DELAY OR CANCEL TRIPS

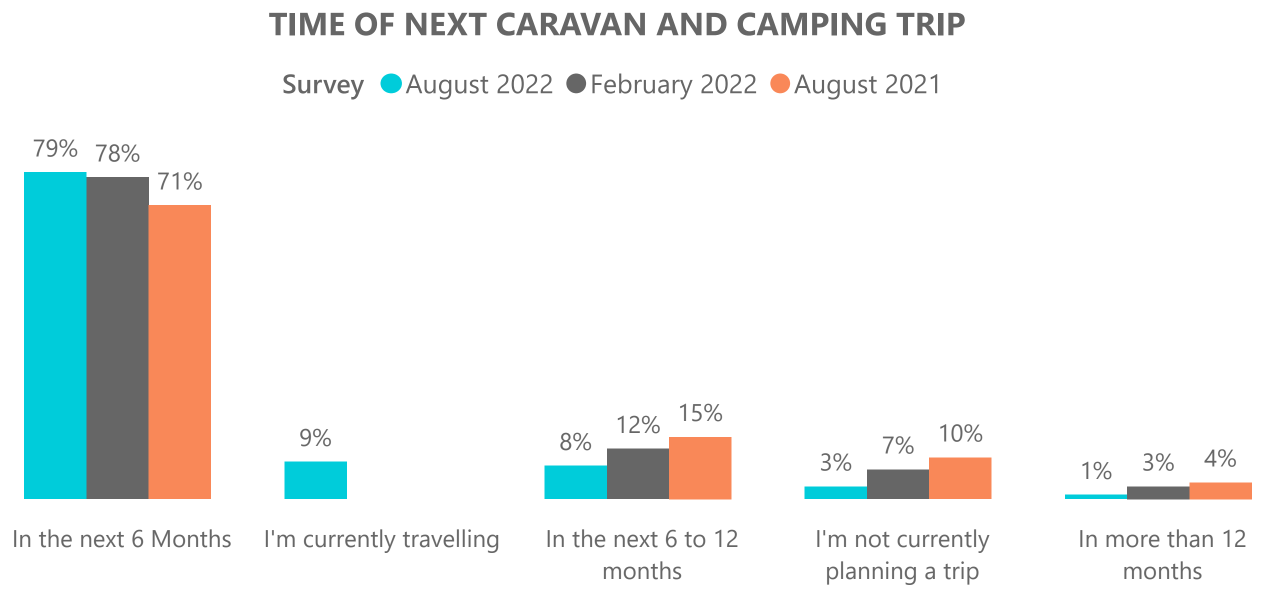
Amid higher fuel prices and rising cost of living expenses, respondents indicated that they were more likely to **stay longer** in one place **(56%)**, **travel shorter distances/closer to home (47%)** and **spend less** during the trip **(38%)** to offset potential increased expenses.

The majority of respondents indicated that they **would not cancel or delay** their future trip due to increased cost of living, which continues to indicate the resilience of the domestic visitor market.

DUE TO CURRENT FUEL PRICES AND COST OF LIVING EXPENSES, ARE YOU MORE OR LESS LIKELY TO...

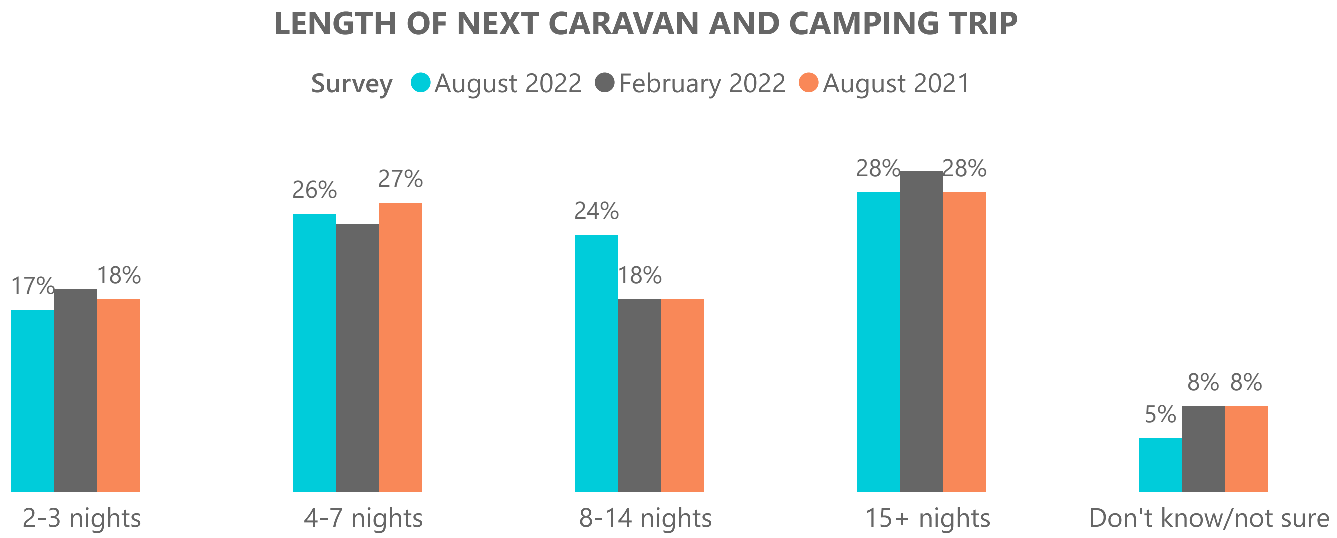


DEMAND FOR CARAVAN AND CAMPING REMAINS STRONG



79% of respondents currently have their **next caravan and camping trip** planned **in the next six months**. The share of respondents with no trip planned has decreased from February's survey from 7% to 3%.

In terms of trip length, more than three quarters (**78%**) said they had planned a **holiday (4+ nights)**. The share of respondents planning a **short break (1-3 nights) has remained stable** across the last three surveys.



MIXED RESULTS ON INTERNATIONAL TRAVEL PLANS

56%

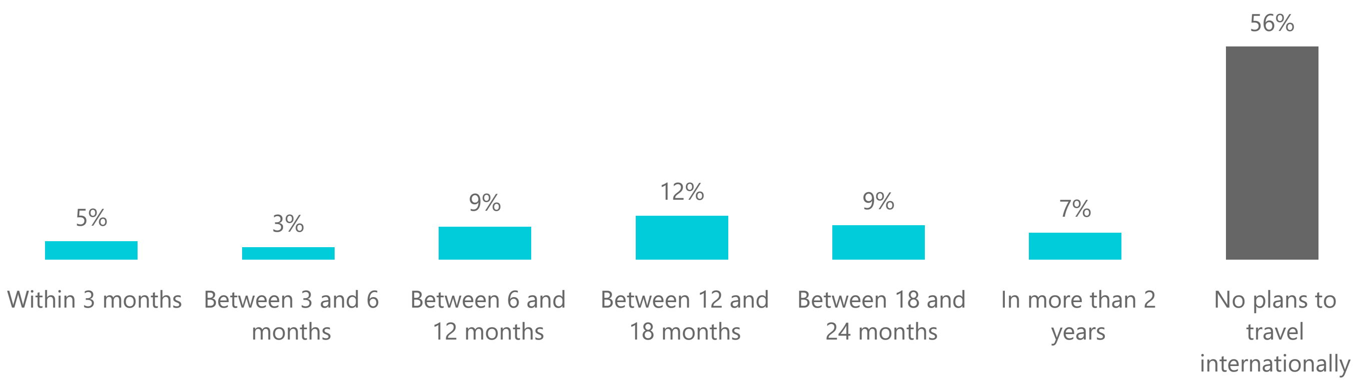
of respondents said they had no plans to travel internationally

Amid complexities around international travel, more than half (**56%**) of respondents have **no plans to travel internationally**.

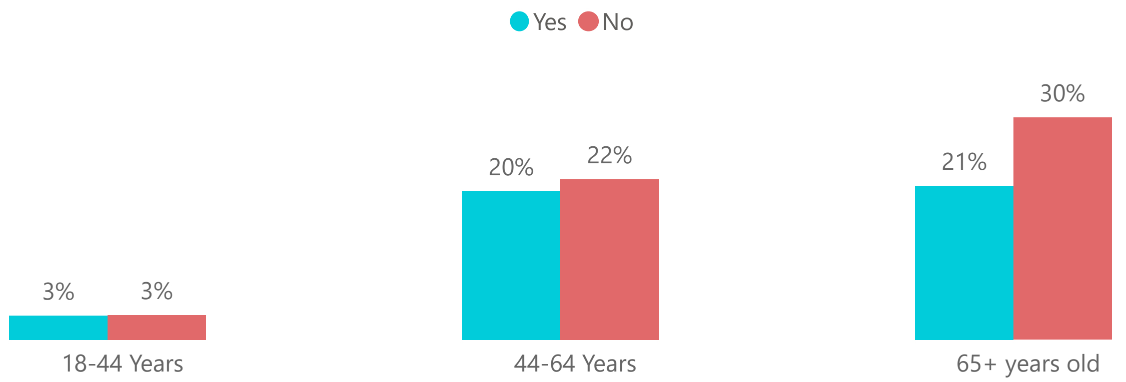
Of those eager to **travel internationally**, 18% plan to do so in 2022, **46% in 2023** and 36% in 2024 or later.

By age group, the distribution of respondents with and without international travel plans is fairly equal, with the exception of the **65+ year age group** which records a **higher share of respondents without plans** to travel internationally.

TIME OF NEXT INTERNATIONAL TRAVEL - SURVEY AUGUST 2022

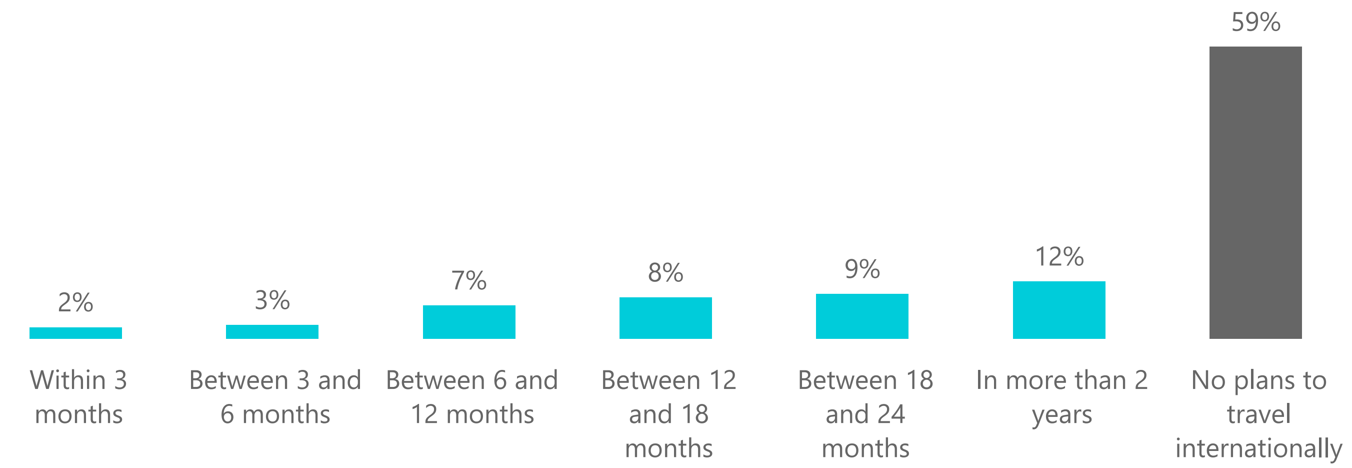


INTERNATIONAL TRAVEL PLANS BY AGE GROUP - SURVEY AUGUST 2022

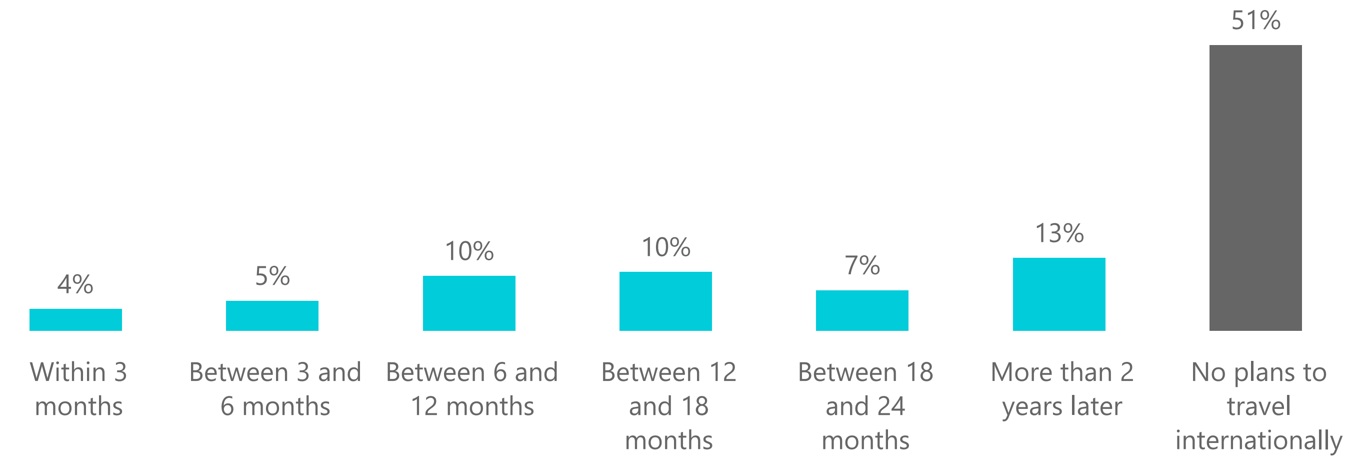


INTERNATIONAL TRAVEL PLANS - PREVIOUS SURVEYS

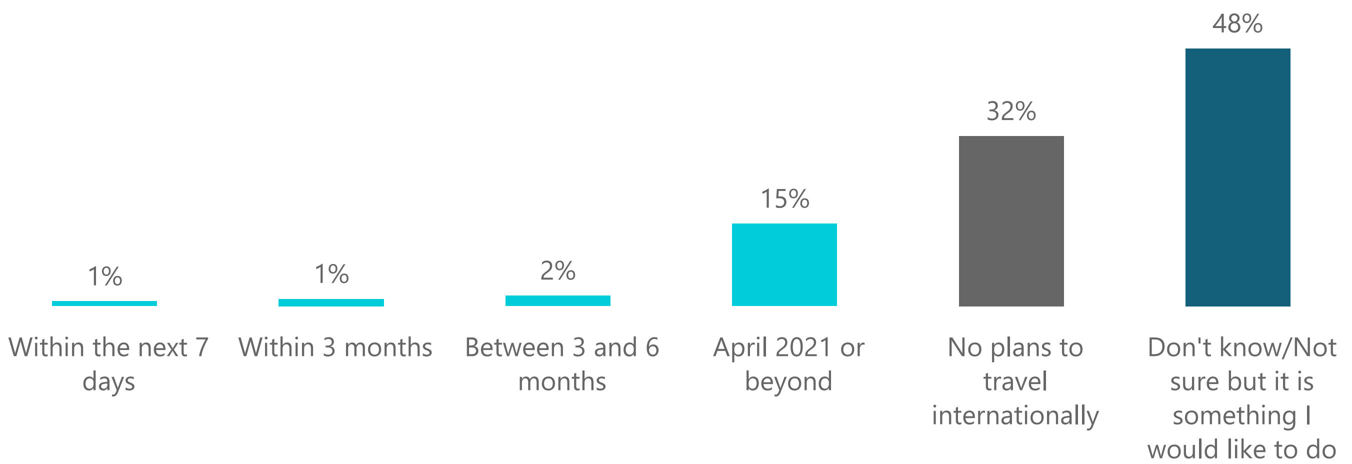
TIME OF NEXT INTERNATIONAL TRAVEL - SURVEY FEBRUARY 2022



TRAVEL INTENTION ONCE INTERNATIONAL BORDER OPEN - SURVEY AUGUST 2021

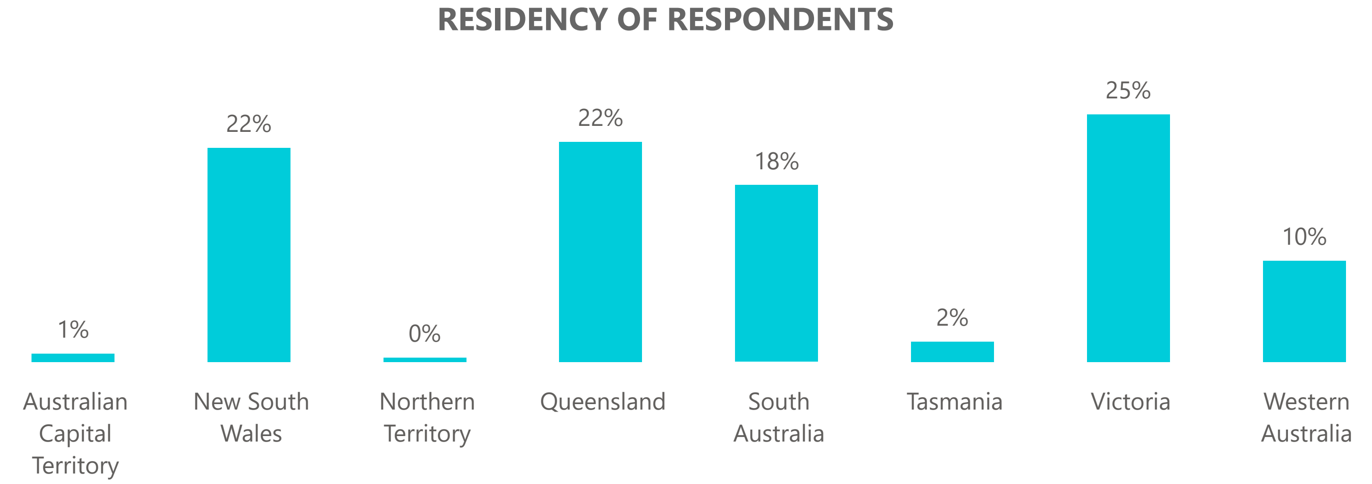


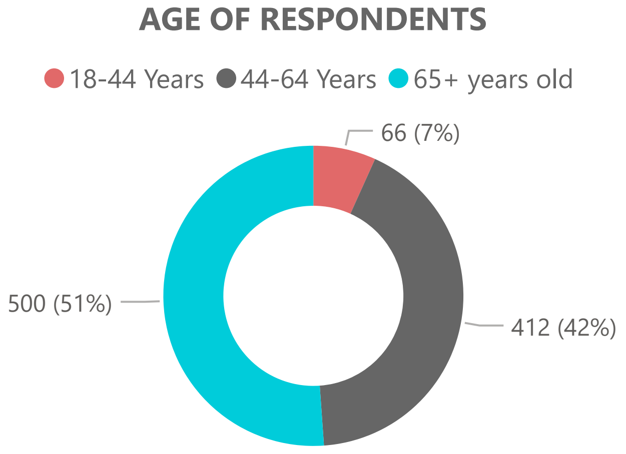
INTENTION TO PLAN AN INTERNATIONAL HOLIDAY - SURVEY OCTOBER 2020

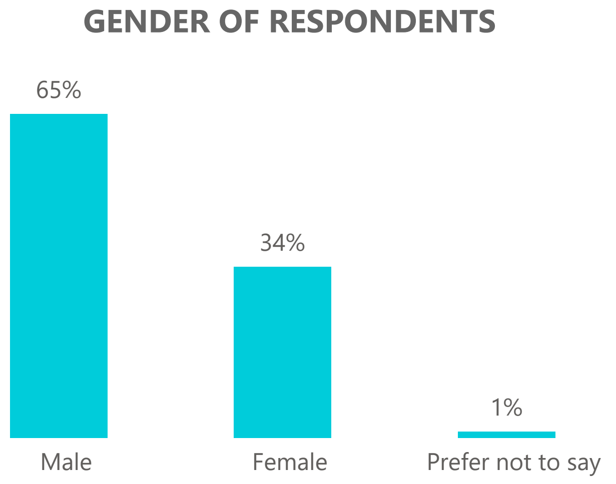


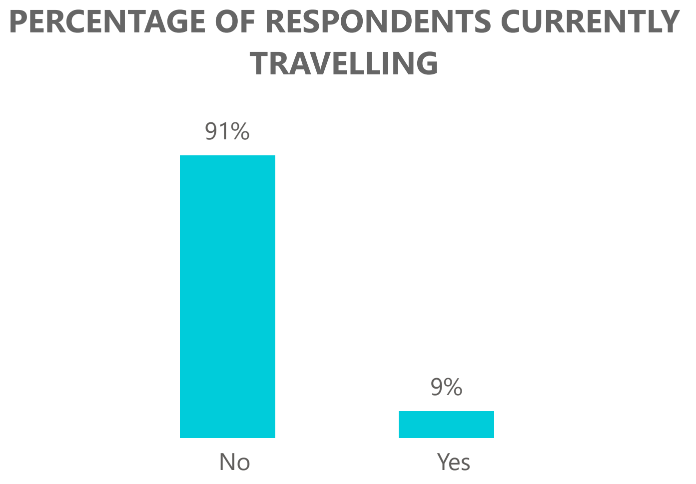
SAMPLE PROFILE

SURVEY SAMPLE PROFILE









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