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The Rise of Revenge Tourism: Analyzing Its Impact and Transformations in the Post-Pandemic Tourism Industry

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Abstract : This study explores the emergence of "revenge tourism," a surge in travel activity sparked by pent-up demand following the COVID-19 pandemic, and its impact on key sectors of the U.S. tourism industry. By analyzing financial data from 2019 to 2024, the paper examines how the hospitality, aviation, and online travel agency sectors adapted to this trend. While leisure travel experienced a dramatic rebound, the recovery was uneven, with business travel lagging and companies grappling with increased debt and evolving consumer preferences. The paper highlights the challenges and opportunities facing the industry as it navigates a transformed post-pandemic landscape.

The COVID-19 pandemic was a significant global event, impacting economies and reshaping international boundaries. The global GDP declined by 6.7%, as nearly 90% of the world economy was under lockdown (Swart et al., 2023). The travel and tourism industry, which contributes around 9% to global GDP, experienced the most significant impact from this decline due to restricted travel opportunities and fear of contracting the disease. This industry accounted for approximately 40% of the decline in global GDP, losing about half of its value in 2020 (McKinsey & Company, 2024). Consequently, due to the lockdown of international and domestic borders, many people faced restrictions on travel and social activities for extended periods. The restrictions on travel led to a rebound in the tourism industry after new safety protocols were widely implemented in 2021. The desire to travel and make up for lost time compelled people to book trips and vacations as a means of 'taking revenge' against the pandemic. This surge in travel has been termed 'revenge tourism' by some economists. (Kamath, 2022).

The initial impact of the pandemic was a dramatic decline in both aviation and tourism (Swart et al., 2023). With borders closed and lockdowns in place, international travel stalled, and domestic travel significantly contracted. This had a cascading effect, hitting the luxury travel market particularly hard. Business travellers, who typically spend more on premium services and accommodations, drastically reduced their travel,

impacting hotels, airlines, and related businesses that cater to this high-spending clientele (Kamath, 2022). This shift is evidenced by a 65% drop in business travel spending in 2020 (McKinsey & Company, 2024). The hospitality sector felt the brunt of this decline, with hotels experiencing a 103% drop in net operating income and a 50% decrease in revenue per available room (RevPAR) (Singh, 2021). The aviation industry also suffered substantial losses, with business travel, which normally accounts for over 50% of airline profits, evaporating (Hartman, 2023). Booking agencies also felt the squeeze with reduced demand.

As cross-border restrictions eased and travel was deemed safer, a surge in leisure travel, often referred to informally as "revenge tourism," brought a wave of much-needed revenue. This phenomenon is characterized by a short-term spike in leisure travel driven by a desire to compensate for lost travel opportunities during the pandemic. It's important to note that not all post-pandemic travel growth can be categorized as revenge tourism. Sustained growth in 2024 and beyond will likely involve broader factors influencing travel behaviour and should not be solely attributed to this initial, pent-up demand. This surge led to a 65% increase in leisure travel spending in 2022 compared to pre-pandemic levels (Visa Business and Economic Insights). This renewed interest in travel, with 57% of Americans seeking "once-in-a-lifetime" adventures (Kamath, 2022) and a 300% increase in passport appointment searches (Copenhagen, 2022), did not, however, translate into a similar recovery for business travel. Companies, having adjusted to virtual meetings and cost-cutting measures, continued to limit business travel to essential trips only.

This divergence between leisure and business travel created a new set of challenges and opportunities for the tourism industry. Airlines, for instance, faced increased demand during peak leisure travel seasons, requiring adjustments in capacity and workforce management (McKinsey & Company, 2024). Simultaneously, the rise of "bleisure" travel—a blend of business and leisure—created new demands for hotels and other hospitality services. Bleisure travellers, extending business trips for leisure purposes, require facilities catering to both work and relaxation, driving demand for work-centric amenities within hotels (Grand View Research, 2023). This market segment has grown considerably, achieving a CAGR of 12.1% between 2020 and 2023. The pandemic also accelerated the shift toward online services and digital solutions in the travel industry, which impacted booking agencies and compelled them to offer more flexible options to attract customers.

Aim Of the Study

- This study critically examines the effects of revenge tourism in the USA on the hospitality and aviation industries, with a specific focus on hotels, passenger airlines, and online travel agencies (OTAs). The analysis utilizes financial data, primarily drawn from SEC reports, earnings reports, 10-K filings, and other publicly available financial disclosures, for the three largest companies in each sector by market share, spanning the period from 2019 to 2024. This financial analysis provides a nuanced understanding of the impact of revenge tourism on these key players.

- The paper further delves into the new trends emerging from revenge tourism and provides future valuations and projections for the industries.

Tourism Industry Overview

The U.S. tourism industry, a crucial component of the national economy, flourished in 2019. Domestic and international travellers spent $1.1 trillion, directly supporting 9 million jobs and generating $180 billion in tax revenue, demonstrating the sector's significant contribution to the U.S. GDP. A closer examination reveals a breakdown of this spending: leisure travellers (both domestic and international) contributed $792 billion, while business travel spending reached $334 billion, reflecting a 2.2% increase over the previous year. This robust performance underscored the industry's health and growth trajectory prior to the pandemic.

However, the arrival of COVID-19 in 2020 drastically reshaped the tourism landscape. The industry's dependence on travel, both domestic and international, became a vulnerability as borders closed and lockdowns were implemented. These restrictions led to an over 50% decline in the sector's GDP contribution and a corresponding loss of 3 million jobs.

The repercussions were felt across all travel segments. Domestic leisure travel spending declined, business travel suffered a significant drop, and international travel experienced the most substantial losses, with a 77% decrease in spending recorded in 2021 compared to 2019 levels.

While domestic leisure travel showed the first signs of recovery in 2021, reaching $751 billion, this rebound was insufficient to offset the continuing downturn in business and international travel. Domestic business travel remained 56% below pre-pandemic levels ($122.4 billion compared to $305.8 billion in 2019), impacting related industries such as the aviation sector, which relies heavily on this segment for a substantial

portion of its profits. The pandemic's disproportionate impact on business travel is particularly significant given its higher contribution to industry profits compared to leisure travel. This disruption set the stage for the emergence of "revenge tourism" as a potential catalyst for recovery, but also highlighted the challenges facing the industry in achieving a complete and sustainable rebound.

The Aviation Industry

The US aviation industry is currently valued at around $81 billion and is expected to grow at a CAGR of around 5% till 2030. Commercial aviation drives a big chunk of this industry and drives around 5% of the U.S. GDP. U.S. airlines operate more than 26,000 flights a day, carrying 2.6 million passengers to and from nearly 80 countries, and transport 61,000 tons of cargo to more than 220 countries (Airlines for America). Nearly 60% of their revenue comes from direct travel and the other 40% comes from selling frequent flier miles to credit card companies and other travel partners like hotels and car rental agencies. This passenger revenue includes the cost of airfare, fees, and other travel expenses charged by the airlines. Although business travellers constitute only 12% of travellers by volume, they are twice as profitable as other passengers
This is because they generally tend to buy more expensive seats, purchase last-minute tickets and are responsible for the bulk of the in-flight purchases. Their impact is so high that in some airlines, business passengers account for nearly 75% of the airline's profits (Investopedia, 2024).

As of 2024, Delta Airlines (17.8%), American Airlines (17.4%), Southwest Airlines (17.4%) and United Airlines (16%) are the leading domestic U.S. airlines by market share
(transtats.bts.gov,2024). For the purpose of this study, we will focus on Delta Airlines, American Airlines, and United Airlines to analyse the overall effect of the pandemic and the revenge tourism phenomenon on the US airline industry.

Table 1

Key Metrics of the U.S. Aviation Industry (2019-2023)

Year	Total Operating Revenue (USD Billions)	Passengers Served (Millions)	RPMs (Billions)	ASMs (Billions)
2019	24.8	1,052	1,054	1,246
2020	13.1	400	379	648
2021	19.3	700	687	932
2022	27.7	937	947	1,140
2023	29.7	1,053	1,077	1,292

Note- Data sourced from Bureau of Transportation Statistics

The U.S. aviation industry, a significant component of the travel sector contributing approximately 5% to the nation's GDP, experienced substantial volatility between 2019 and 2023. In 2019, prior to the COVID-19 pandemic, the industry enjoyed a period of robust growth. Total operating revenue reached $24 billion, serving over 1 billion passengers. This strong performance is further reflected in Table 1, showing Revenue Passenger Miles (RPMs) at 1.05 trillion and Available Seat Miles (ASMs) at 1.24 trillion, indicating high demand and capacity utilization.

The onset of the pandemic in 2020 had a catastrophic impact on the industry. Operating revenue plummeted to $13.1 billion, and passenger numbers fell to 400 million, a decline of over 60%. This dramatic decrease in travel is mirrored in the sharp contraction of RPMs to 379 billion and ASMs to 648 billion, demonstrating the severity of the pandemic’s effects on air travel.

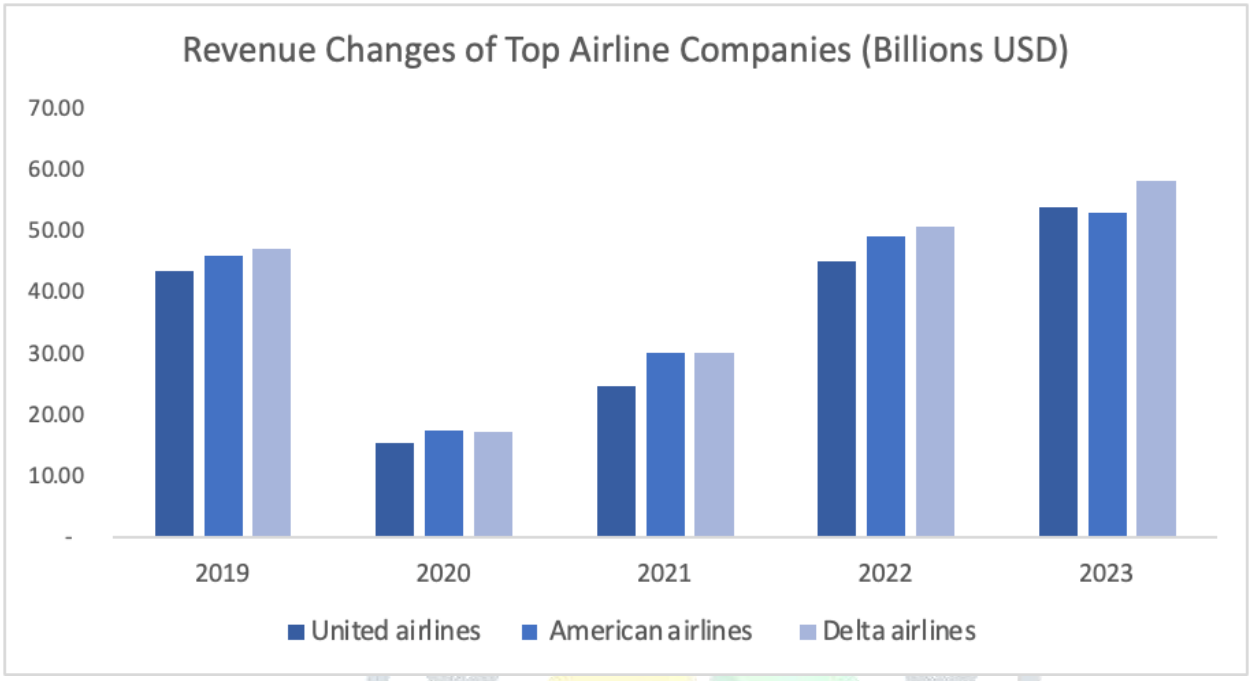
The period from 2021 to 2023 witnessed a gradual recovery, driven largely by the rise of "revenge travel" as travel restrictions eased and pent-up demand was unleashed. Total operating revenue rebounded to over $29.7 billion by 2023, surpassing pre-pandemic levels.

However, it's important to examine this growth more closely. Although RPMs and ASMs recovered to 1.07 trillion and 1.29 trillion respectively, exceeding pre-pandemic figures by 2023, this apparent rebound masks important underlying shifts. Specifically, business travel did not recover at the same pace as leisure travel. This change in passenger mix towards more price-conscious leisure travellers impacted profitability, evidenced by operating profit margins staying well below pre-pandemic levels despite increased revenues.

Post-Pandemic Recovery: A Financial Deep Dive into the Top 3 US Airlines

Figure 1

Revenue Changes of Top Airline Companies

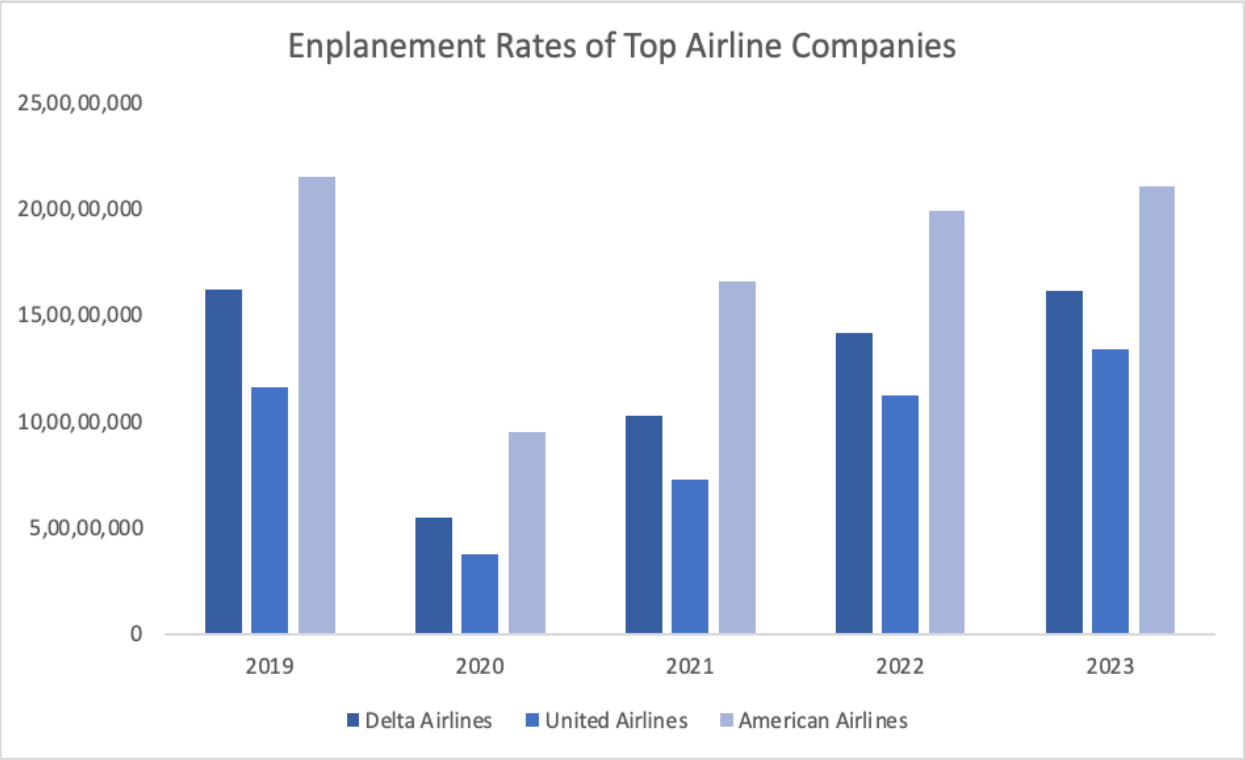


Note- Data sourced from Morningstar

By 2022, revenue of airline operators had returned to pre-covid levels, led by strong resurgence of airline travel mainly driven by revenge tourism phenomenon.

Figure 2

Enplanement Rates of Top Airlines

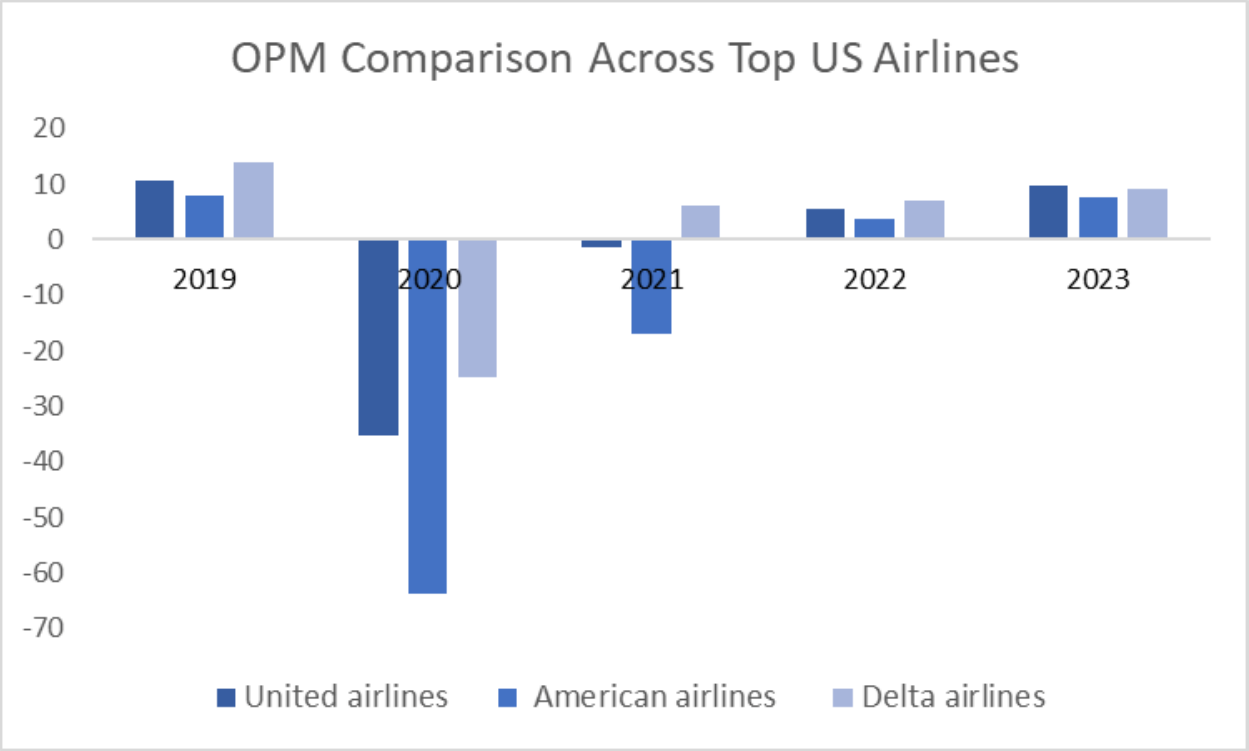


Note – Data sourced from SEC filings.

A similar trend can be seen in the increase in enplanement rates following the pandemic dip. Enplanement rates reached 2019 levels by 2022 and even surpassed them by 2023. This resurgence in the enplanement data logically signifies that airline travel had returned to normal by 2022 and continued to increase in 2023.

Figure 3

OPM Comparison Across Top US Airlines



Note - Data sourced from Morningstar

However, a closer look at the operating margins of top airline players exposes a fallacy in this logic. Although revenues had risen to pre-COVID levels by 2022, operating margins were lagging far behind pre-COVID levels. But the volume growth was led by leisure travellers who, while spending more on luxury travel due to a 'revenge-spending' mindset, could not match the decline in business travellers. It is interesting to note that the rise of remote work and meetings as a way of business has led to a sharp dip in business travel, the most profitable segment for airlines.

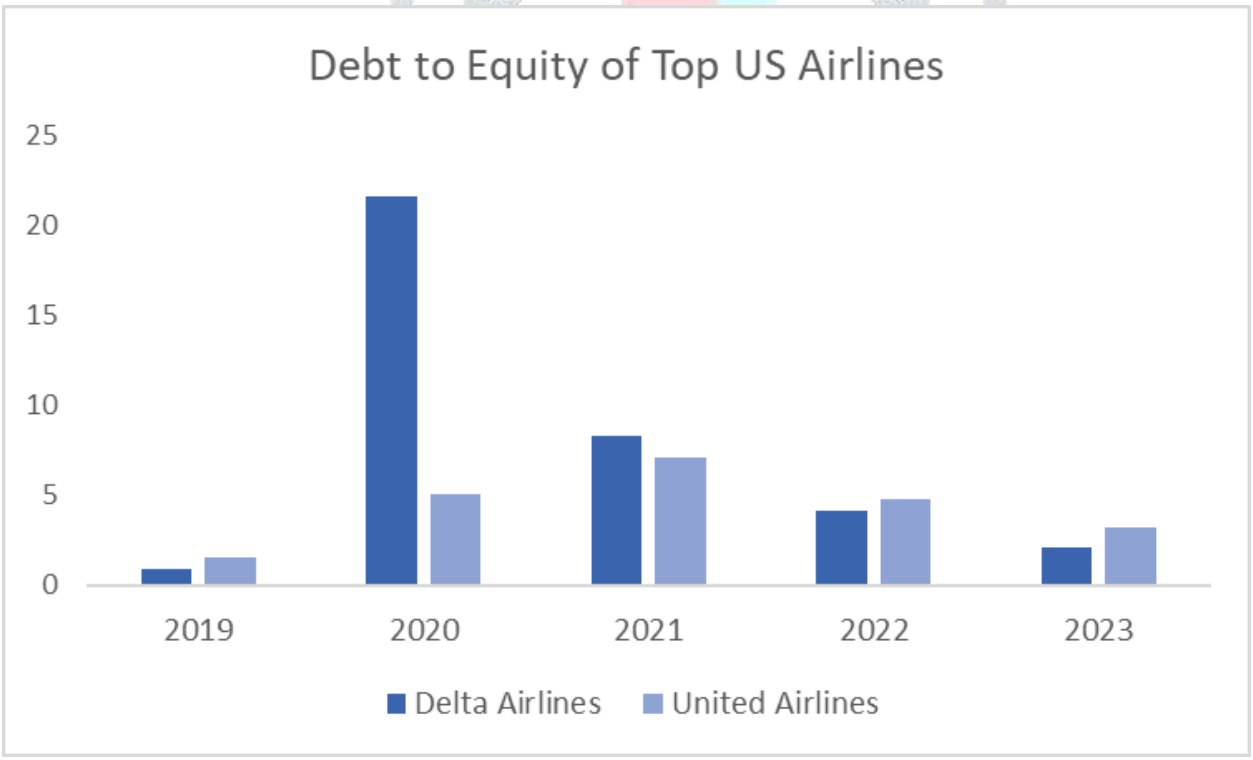
The Debt Fallacy

Post the Covid-19 pandemic, airlines borrowed heavily from both public as well as private lenders. This is accurately reflected in the debt-to-equity ratio of top airline companies. Both Delta Air and United Air's debt to equity shot up manyfold post 2020 with Delta's D/E going as high as 21.6 (Morningstar,2024). The reduction in debt post 2019 was largely a result of grants under the PSP scheme. Under the Payroll Support Program (PSP), the Treasury Department awarded $59 billion in three rounds of financial assistance (PSP1, PSP2, and PSP3) to the domestic aviation industry for the continued payment of employee wages, salaries, and benefits.

(Airline and National Security Relief Programs, 2024)

Figure 4

Debt To Equity of Top US Airlines



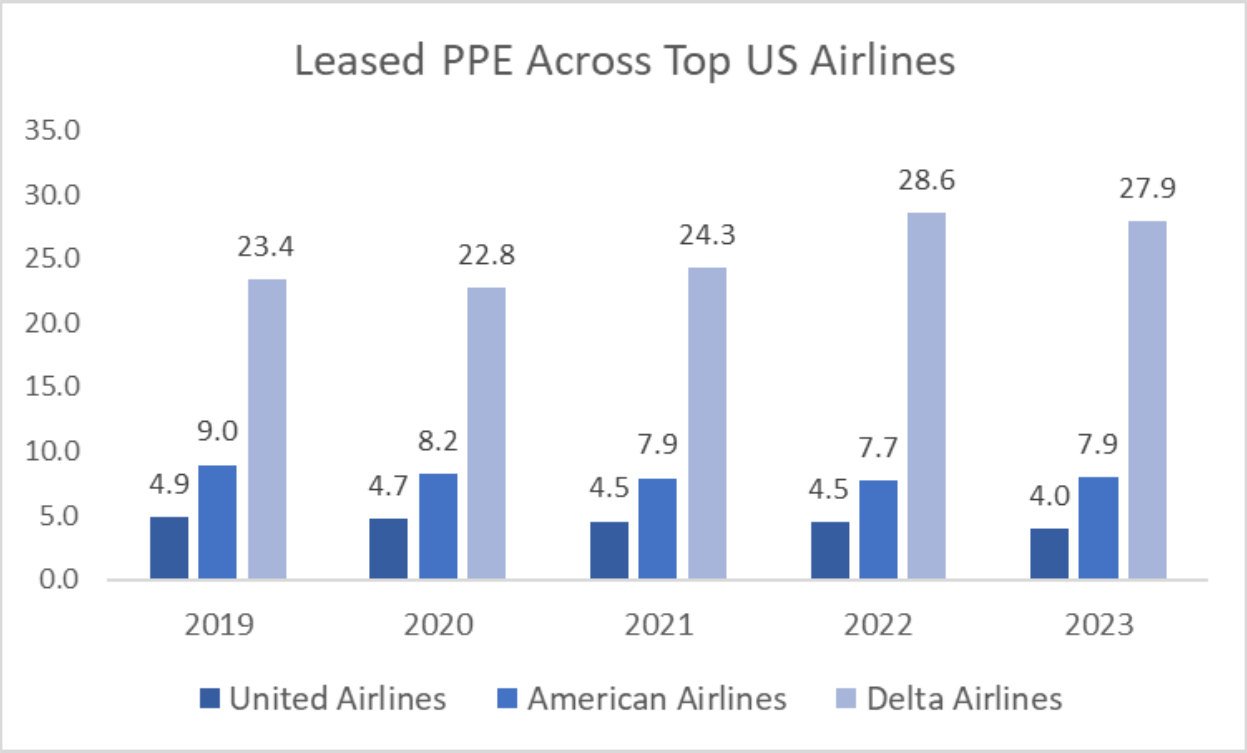
Note- Data sourced from Morningstar

One assumption would be that these companies are borrowing either to expand their fleet or invest in Property, Plant, and Equipment (PPE) to cater to the rising bleisure travel demand post-COVID. However, a closer look at the leased PPE of airlines shows that two out three top airlines are reducing their fleet size (given that

airline companies lease most of their operated flights). The only notable exception to this is Delta Airlines which handled the pandemic conditions the best. But apart from this, although a lower fleet size might lead to short term improvement in profitability, it is bound to hurt the long-term growth prospects of this industry

Figure 5

Leased PPE Across Top US Airlines



Note – Data sourced from Morningstar

Conclusion

The post-pandemic out of pocket revenge spending by leisure travellers in 2021-2022 resulted in marginal growth of the aviation industry. This minimal uptick resulted in the revenue and gross profit rates across the three companies to surpass the pre-pandemic levels. However, this trend did not persist as OPM and debt levels continued to rise in 2021-2022 and investment in PPE declined. The industry relied on financial grants from the government under the PSP scheme to stay afloat. The companies used these funds to pay off debt liabilities. The industry also experienced a customer shift as business travel was down 30% of its original value in 2022 and only started recovering in 2023-24. This shift is projected to have long standing implications on the industry as this segment is responsible for the majority of an

airline's profit. The dip in business travel will make the aviation industry much more cyclical, given that leisure travel is mostly seasonal and is inherently prone to overall macroeconomic conditions. This seasonality is a big disadvantage for airline operators given that their fleet will be largely unused during the off-season months. Moreover, the current revenue surge, largely a consequence of revenge tourism, is set to dampen as the spending power of leisure travellers decreases, and the business travel market is expected to shrink as online meetings become a more permanent solution.

The Hotel Industry

The U.S. hotel industry, a major contributor to the economy, supporting 8.3 million jobs, $463 billion in wages, and $211 billion in tax revenues (American Hotel & Lodging Association, 2023), experienced extreme volatility between 2019 and 2023. In 2019, the industry achieved record-breaking performance levels, with a 66.1% occupancy rate, an average daily rate (ADR) of $131.21, and a revenue per available room (RevPAR) of $86.76 (STR, 2020). The industry's reliance on discretionary spending makes it particularly vulnerable to shifts in the economic climate, such as recessions or inflation.

Table 2

US Hotels: Top- Line Metrics Comparison

Year	Occupancy (%)	ADR (USD)	RevPAR (USD)
2019	66.1	131.21	86.76
2020	44.0	103.25	45.48
2021	57.6	124.67	71.87
2022	62.7	148.83	93.27
2023	52.6	151.13	79.42

Note- Occupancy, ADR, and RevPAR Data from STR (2020-2024).

The COVID-19 pandemic triggered a collapse in 2020, with tourism plummeting and every metric suffering a sharp decline. Occupancy rate fell to 44.0%, ADR dropped to $103.25, and RevPAR plummeted to $45.48 (STR, 2021a). The impact on profitability was severe, leading to financial distress and hotel closures, with a significant drop in net operating income (NOI) and average profit per room (Singh, 2021). This catastrophic

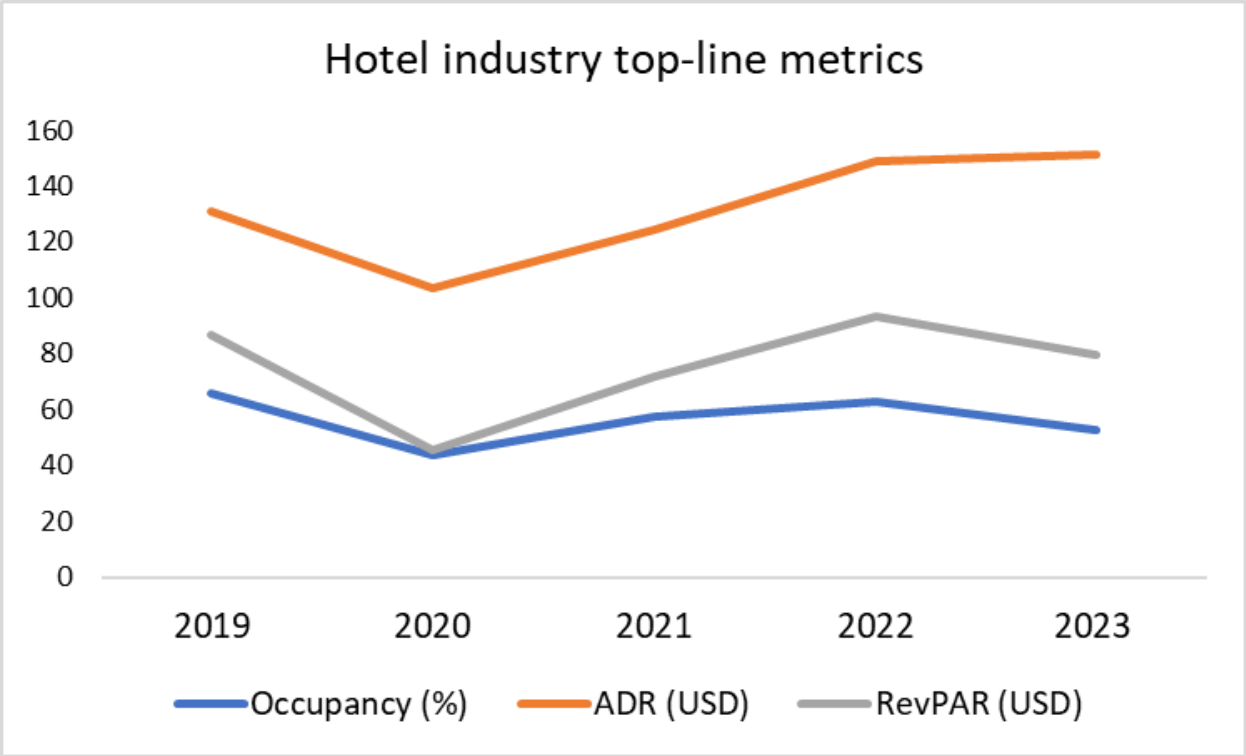
decline was caused by both a drop in demand as well as a lack of supply as many hotels were forced to close due to the financial constraints.

The easing of restrictions in 2021 brought about the rise of "revenge tourism", and caused a gradual recovery in the hotel sector, particularly in leisure travel. By 2022, the industry saw a considerable rebound, with an occupancy rate of 62.7%, an ADR of $148.83, and a RevPAR of $93.27. (STR, 2023). This growth was largely driven by increased leisure travel spending and pent-up demand, and while these metrics surpassed their pre-pandemic levels, the gains were mostly supported by a surge in room rents, and other inflationary pressures.

This post-pandemic bounce, however, started to slow down, with occupancy rates dropping to 52.6% by 2023, even though ADR remained at $151.13. Consequently, the RevPAR also decreased to $79.42 as the revenge spending was no longer as effective. (STR, 2024). This mixed performance reflects the ongoing challenges of the sector, including the slower recovery of business travel, which has been permanently impacted by the rise of virtual meetings and the emergence of "bleisure" travel, which has now brought new infrastructural needs and requirements for hotels. While average daily rates have increased, inflation, alongside changing customer preferences, are still significant factors in the overall performance of this industry.

Figure 6

Hotel Industry Top-line Metrics



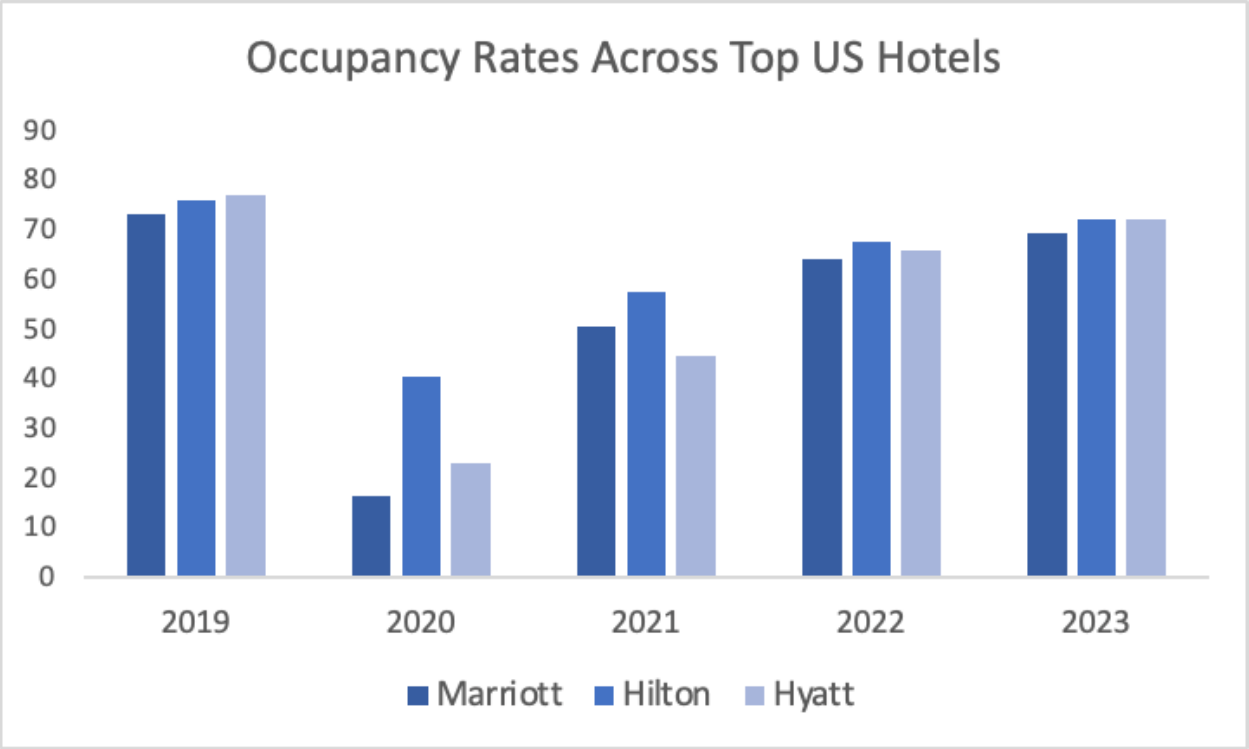
Note- Occupancy, ADR, and RevPAR Data from STR (2020-2024).

As of June 17, 2024, the US domestic market is dominated by three companies: Marriott International, Hilton Worldwide Holding Inc., and Hyatt Hotel Corp., with a market cap of $68.39 billion, $52.59 billion, and $14.92 billion respectively. For the purpose of this study, we will focus on these three hotel chains to analyse the overall effect of the pandemic and the revenge tourism phenomenon on the US hotel industry.

Post-Pandemic Recovery: A Financial Deep Dive into the Top 3 US Hotels

Figure 7

Occupancy Rates Across Top US Hotels

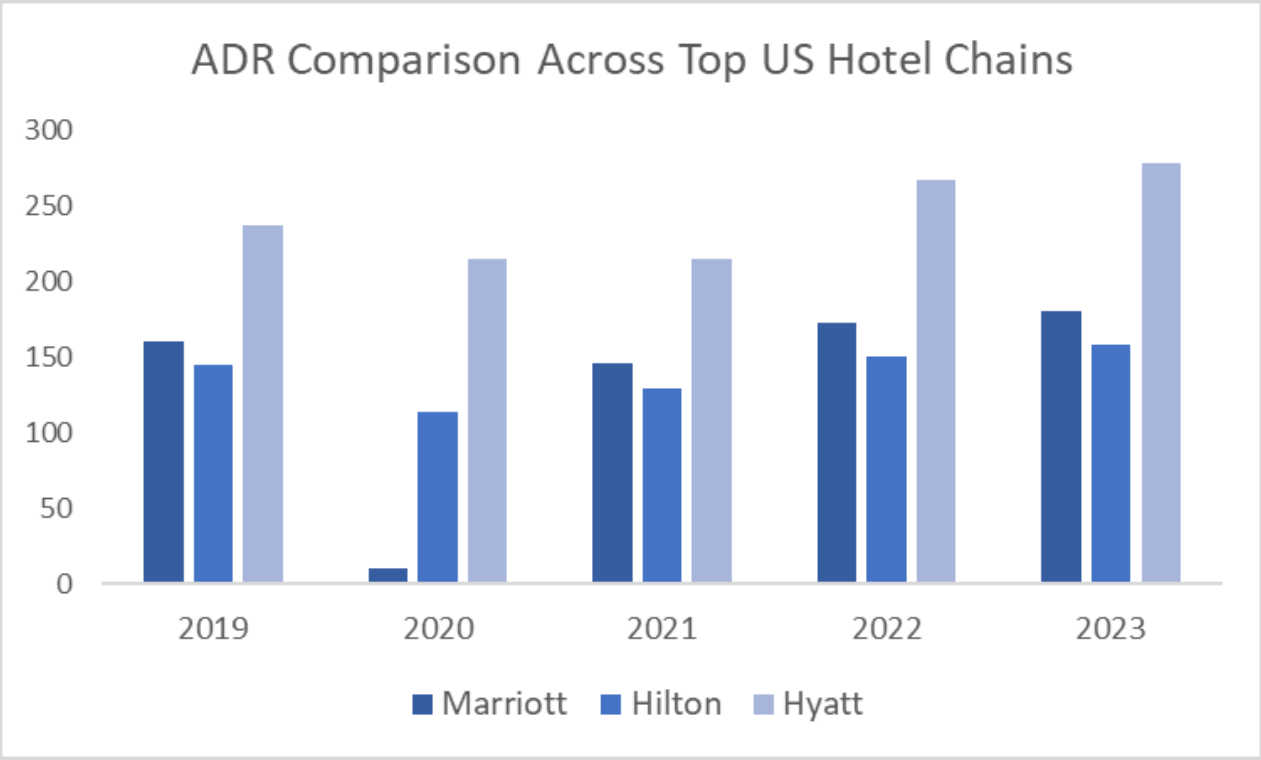


Note- Data sourced from SEC filings

The initial impact of the pandemic is clearly visible when looking at the occupancy rates of the top three hotel chains. As shown in the *Occupancy Rate Comparison* graph, occupancy rates for all three chains dropped drastically in 2020. While they did recover somewhat from this dip in subsequent years, they largely remained below 2019 levels, showing that the initial burst of revenge travel could not completely offset the loss in demand.

Figure 8

ADR Comparison Across Top US Hotel Chains

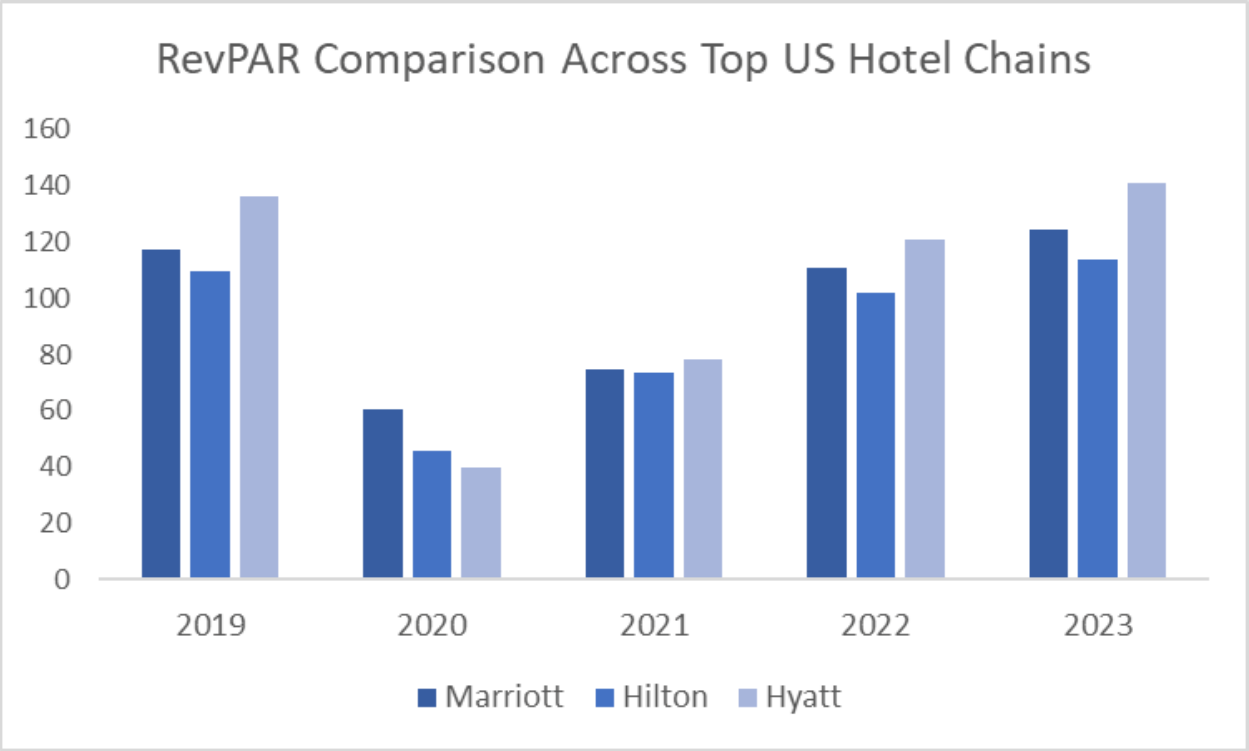


Note – Data sourced from SEC filings

Despite the lack of full occupancy recovery, Average Daily Rates (ADR), which reflect the average revenue per occupied room, showed strong growth, particularly in 2021 and 2022, as illustrated in the *ADR Comparison* graph. These rate increases, driven by inflation and pent-up demand for leisure travel, surpassed pre-pandemic levels for all three chains, indicating that hotels were still generating more revenue per room, even with lower occupancy.

Figure 9

RevPAR Comparison Across Top US Hotel Chains

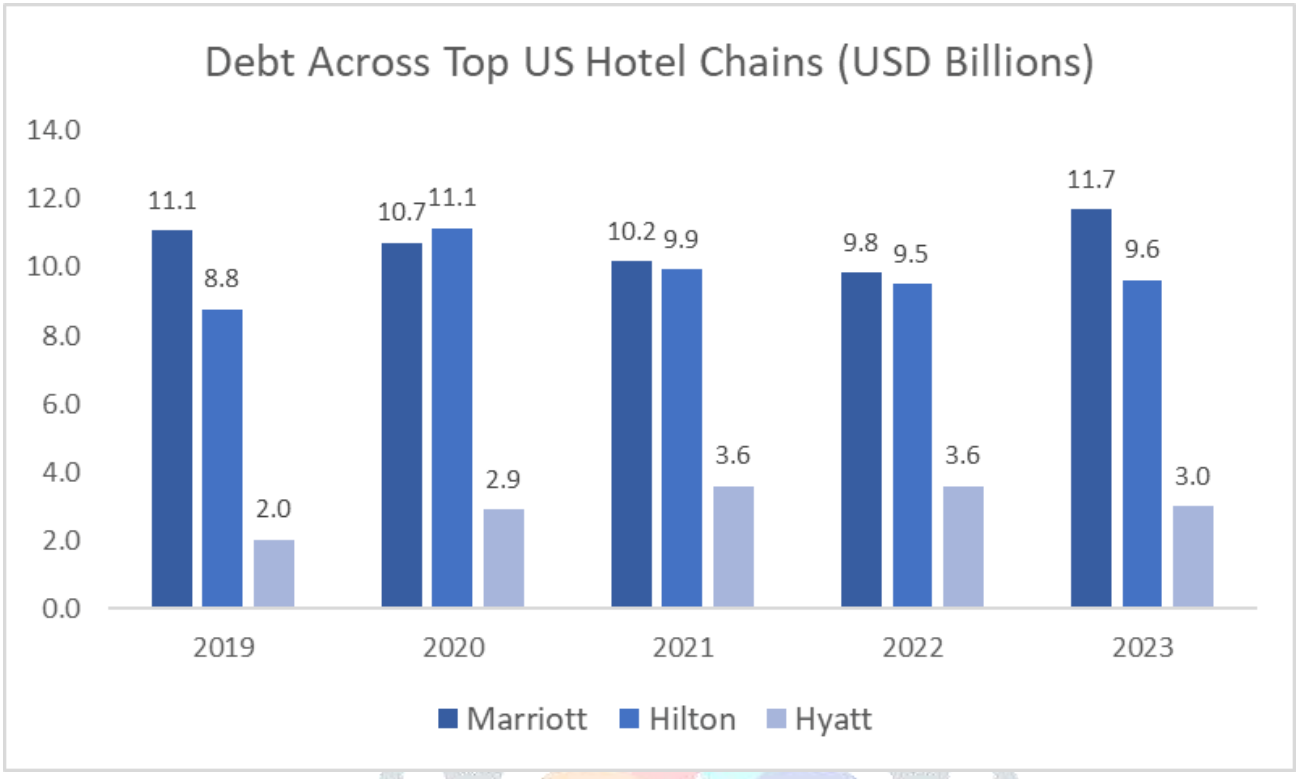


Note- Data sourced from SEC Filings.

This increase in ADR was reflected in Revenue Per Available Room (RevPAR), which combines occupancy and average rates. As seen in the *RevPAR Comparison* graph, there was a rebound in revenue by 2022, with levels exceeding pre-pandemic numbers. These increases, however, were not uniform across the board, and by 2023, with the exception of Hyatt, a decline in RevPAR was clearly visible.

Figure 10

Debt Across Top US Hotel Chains

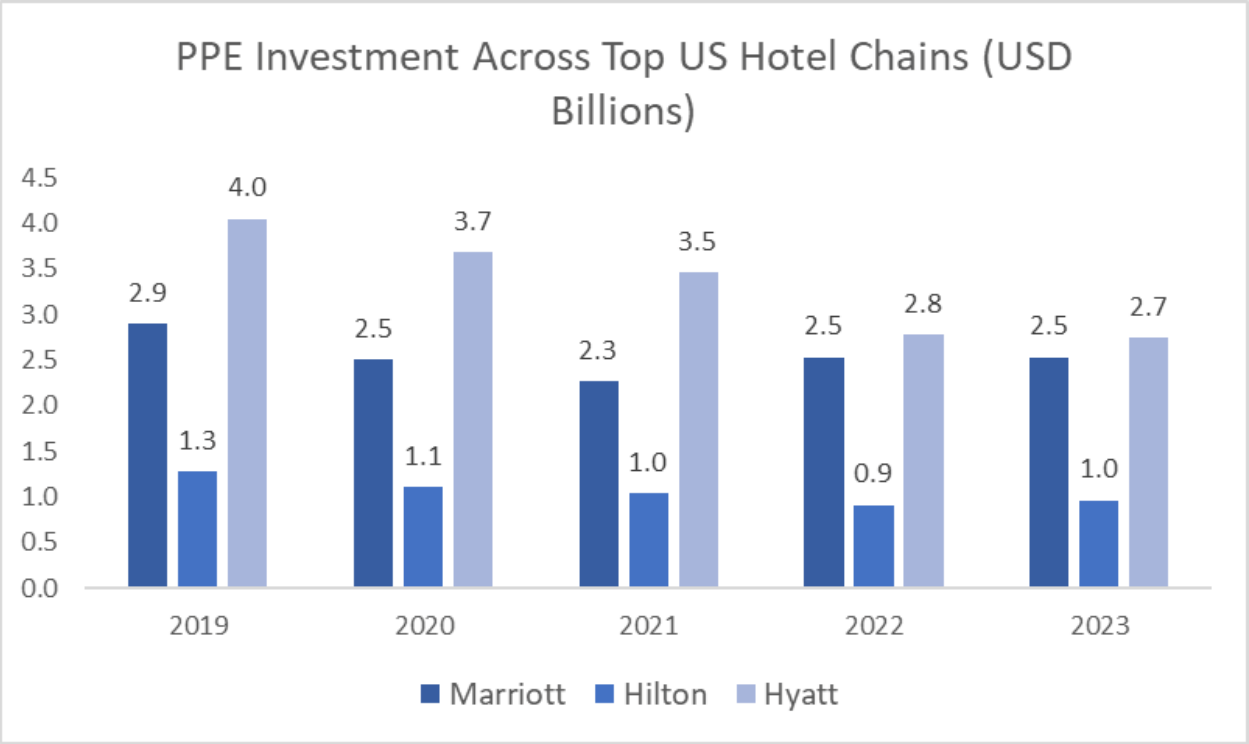


Note– Data sourced from Morningstar

The financial health of these hotels was also reflected in their debt levels. As seen in the *Debt Comparison* graph, balance sheets of these hotels indicate that while Marriott has managed to maintain a relatively stable debt to equity ratio, Hilton and Hyatt have taken on significant debts to stay afloat. This highlights the divergent path these chains have taken post-pandemic.

Figure 11

PPE Investment Across Top US Hotels



Note- Data sourced from Morningstar

Lastly, investment in property, plant, and equipment (PPE) saw a decrease for all three chains as seen in the *PPE Investment Comparison* graph, indicating that debts were largely being used for operational and maintenance purposes, and not necessarily for growth and expansion.

Conclusion

The hotel industry experienced a volatile period with a sharp downturn during the pandemic followed by a rebound driven by leisure travel spending. Although initial metrics surpassed pre-pandemic levels, this 'revenge tourism' surge proved uneven and unsustainable. Occupancy rates remained below 2019 levels, highlighting the impact of reduced business travel, and while average daily rates (ADR) increased, they were not sustained, leading to a decline in Revenue Per Available Room (RevPAR) by 2023. Furthermore, the initial growth in operating profit margins (OPM) was not equal, and declined by 2023. Balance sheets reflect a long road to recovery, with some chains having taken on considerable debt and reduced investments in property, plant and equipment (PPE). As the industry adapts to 'bleisure' travel and faces lower business travel as well as reduced discretionary spending caused by inflation, the hotel sector must prioritize balancing the demand for leisure travel with a changing business travel environment, and proactively manage the effects of inflation to maintain long-term profitability and stability.

The Online Travel Booking Agencies

The US Online Travel Agency (OTA) market, valued at approximately $861.50 billion in 2023, and projected to grow at a 4.99% CAGR (Saha, 2023), has rapidly become a crucial part of the travel industry. OTAs offer convenience to both consumers and businesses and have become a crucial platform for hotels and airlines, who often pay 5-30% commissions to gain visibility (Phocuswright Research, 2024).

Over 50% of OTA revenues are derived from the hotel industry, particularly from independent hotels (Phocuswright Research, 2024). They typically operate under three models: the merchant model, where OTAs control inventory and pricing; the agency model, where OTAs act as a booking portal and get commission after the sale; and the advertising model, where OTAs provide advertising services for other travel providers (Cloudbeds, 2024), with top players, using a combination of merchant and agency models.

In 2019, the global OTA market reached $744.7 billion (research and markets, 2020) and the U.S. travel sector saw $116.8 billion in bookings, with OTAs employing 108,984 people (American society of travel advisors, 2020). However, the COVID-19 pandemic caused a significant downturn, halving the sector's GDP contribution to $9.9 billion, dropping employment numbers to 93,000, and reducing bookings to just 279

million room nights in the US (Dass, 2022). Bookings also shifted towards major hotel chains, with 67% of customers preferring them compared to 54% before (Dass, 2022).

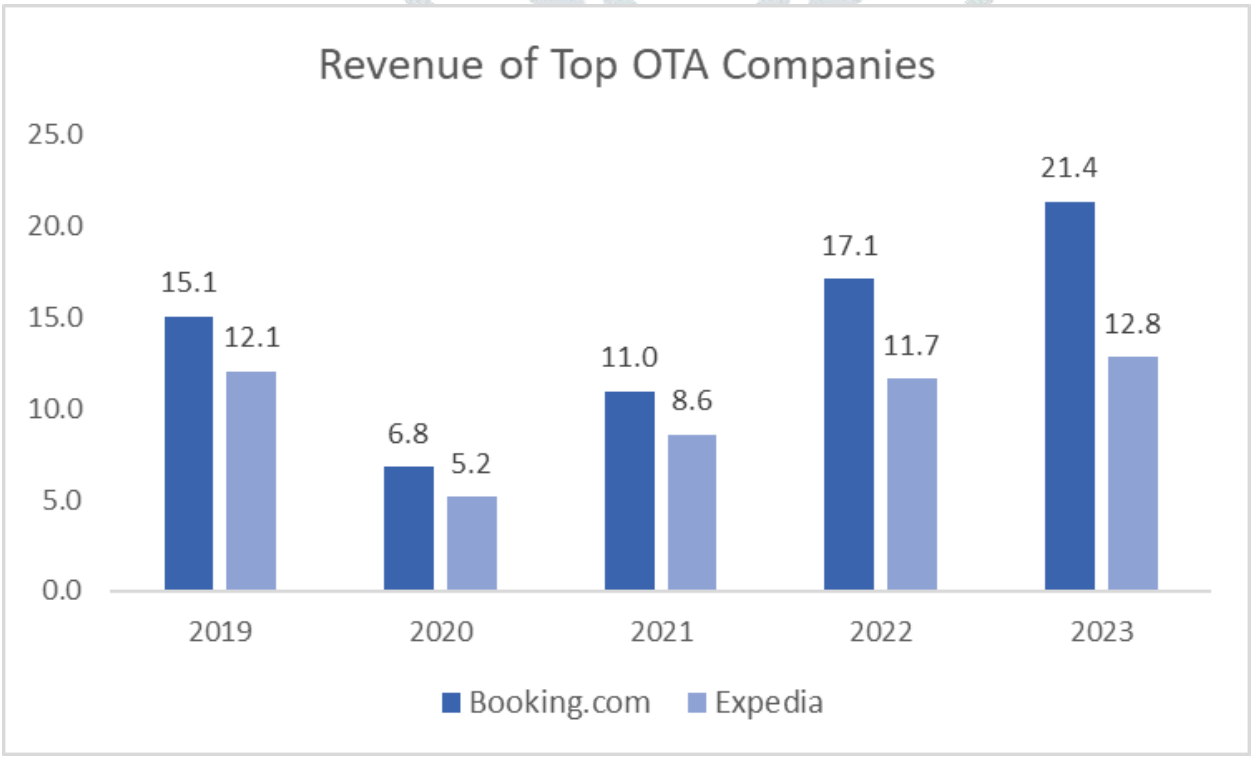
The subsequent rise in revenge tourism in 2021 brought some relief, as the sector's contribution to GDP rose to $10.7 billion, with a workforce of 106,000 and OTAs facilitating 439 million bookings (Dass, 2022). By 2022, the sector's growth accelerated with a 6.7% CAGR and a market penetration of $32.41 billion, exceeding pre-pandemic levels by 20% due to increased internet penetration and technological advancements (Mordor Intelligence, 2024; Fadnis et al., 2023). The global OTA market reached $861.50 billion in 2023, and continues to grow with the hotel sub-segment accounting for 58% of total bookings (Phocuswright Research, 2024).

For a detailed analysis, we will be examining two companies in this space - Booking.com and Expedia.

Post-Pandemic Recovery: An analysis of the prominent US OTA Players

Figure 12

Revenue of Top OTA Companies

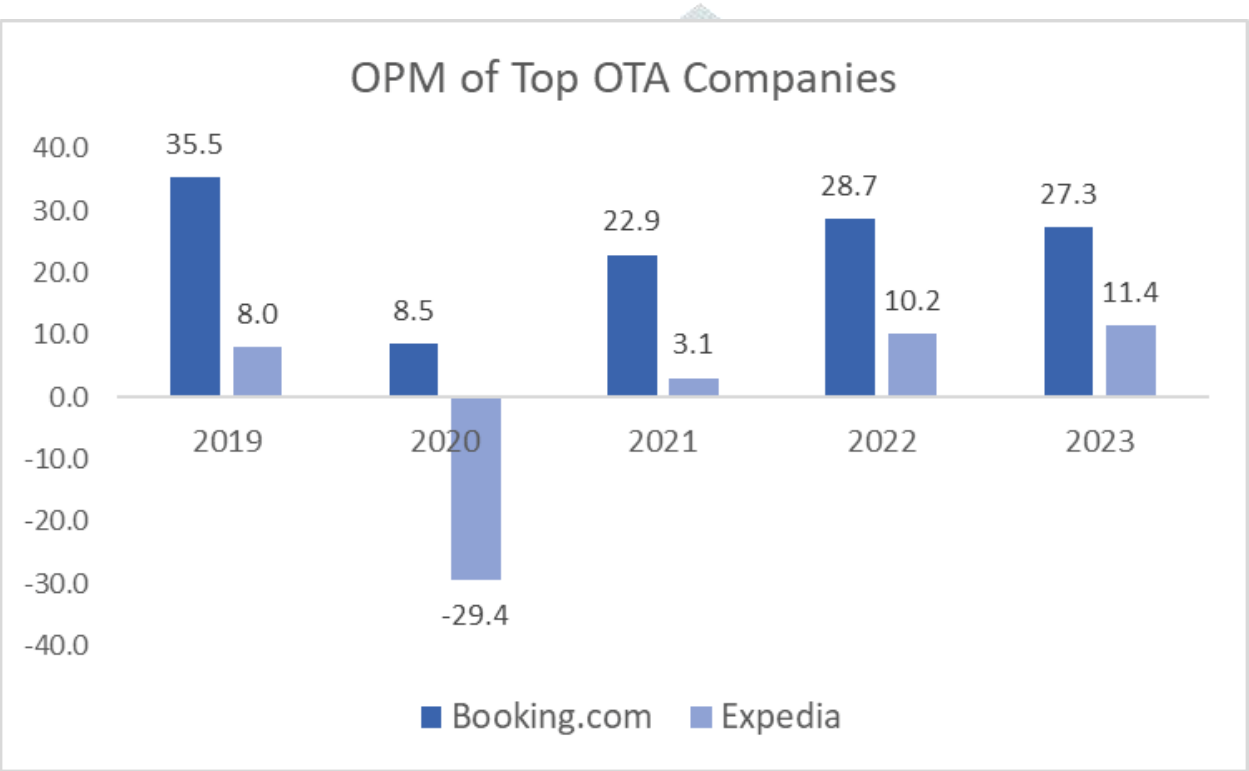


Note – Data sourced from Morningstar

Although revenues took a hit during the pandemic year, OTA revenues rebounded quickly and showed strong growth till 2023. Although Expedia's revenues were slow to rebound, Booking.com showed strong growth in revenues due to its higher focus on Europe (70.6% market share) (Eugenio Catone, 2022), which was one of the most popular destinations for leisure travellers. Moreover, Booking.com's investment in superior technology gave it an edge over its competitors and smaller OTA players who ate into Expedia's market share.

Figure 13

OPM of Top OTA Companies



Note- Data sourced from Morningstar

Booking.com has significantly higher operating margins since it virtually has monopoly over the European market. The company can negotiate higher commission deals from hotel chains given its higher bargaining power and a corresponding smaller fragmented European hotel industry. Expedia on the other hand, has often settled for lower commission deals with established hotel chains in the US like Marriott and Hilton who leverage their market share to save costs. In 2019, Marriott entered into a multi-year agreement with Expedia, under which Marriott would pay a 12% commission to Expedia, which is less than the standard 15-30% that can be charged to independent hotels (Eugenio Catone, 2022). Moreover Booking.com is now slowly shifting more to the merchant model which has enabled it to gain more pricing power as well as higher margins in these properties.

Conclusion

Due to limited reliable data on the OTA sector, the analysis of its financial health and trends is somewhat limited. The OTA market is among the fastest-growing travel sub-sectors with a projected double-digit CAGR till 2033. The pandemic accelerated the adoption of digital booking, with over 75% penetration in North America, driving rapid growth for OTAs. This growth is also reflected in the revenue of both companies, showcasing the sector's growth trajectory. While Expedia's OPM crossed pre-pandemic levels by 2022 after the launch of its Open World platform, Booking.com's OPM, though higher, still lags pre-pandemic levels due to slower international recovery. The OTA market is also seeing a shift in consumer preference towards B2C and Bleisure travel, which leads to a reduced focus on the B2B sector as corporations cut back on travel spending. To remain competitive, companies must invest in technological innovations that are driving fundamental changes in how travel is booked and managed.

Final Discussion and Conclusion

This report examined the phenomenon of revenge tourism, a unique trend that emerged following the COVID-19 pandemic, and its impact on three key sectors of the U.S. tourism industry: hospitality, aviation, and online travel agencies (OTAs). Our analysis focused on the financial performance of these sectors from 2019 to 2023, providing a comprehensive view of consumer behaviour and industry responses before, during, and after the peak of the pandemic. By examining prominent companies within each sector, this paper has analysed emerging trends, their financial implications, and potential future consequences. The tourism industry experienced a significant, though uneven, revival post-2021. The easing of lockdowns and travel restrictions unleashed pent-up demand, driving a surge in leisure travel spending and what has been termed "revenge tourism." While this led to increased revenues, particularly in the hotel sector, its impact was not uniform across all segments. The aviation sector, for instance, faced a mixed recovery, as the more profitable business travel segment remained suppressed due to the adoption of virtual meetings (Hartman, 2023). This shift forced airlines to become more reliant on the leisure market which is typically more price-sensitive and seasonal (Bouwer et al., 2022). This reliance on leisure travel also meant that although passenger numbers rebounded, the operating margins of airline companies have yet to fully recover from the impacts of the pandemic. Although hotels benefited from higher average daily rates (ADR), the overall profitability of the sector remains vulnerable to inflation and fluctuations in consumer spending (Grand View Research, 2023).

This uneven recovery across the sectors demonstrates the challenges that all sectors faced during the pandemic that might not be visible from just looking at aggregate data and requires a more nuanced analysis of consumer behaviour.The online travel agency (OTA) sector demonstrated greater resilience, capitalizing on the increased adoption of online booking platforms and the demand for flexible travel options. OTAs were able to see significant growth during this period due to the initial need for more flexibility in bookings. However, the impact was largely dependent on geographic locations with OTA's operating in Europe seeing a much better performance than their US counterparts due to a more fragmented hotel industry in that region. The future of OTA's depends on their ability to capitalize on trends like the growing importance of bleisure travel, and their continued technological advancement (Phocuswright Research, 2024). Overall, the gains in revenue across these sectors were primarily driven by leisure travel and the effect of "revenge tourism," which is a short-term and unsustainable trend. The long-term outlook of these industries now depends on how they react to the new realities of a post-pandemic world. As evidenced by the data, the industry must learn to balance the needs of leisure travellers with the changing dynamics of the business travel market to ensure long-term sustainability and growth.This study, while providing valuable insights into the impact of revenge tourism, is not without its limitations. The lack of access to specific, granular data on individual OTAs and detailed financial breakdowns for all companies in each sector, restricts the depth of analysis. Furthermore, the study's scope is confined to the U.S. market, thus limiting generalizability to other regions. Additionally, the analysis focused on publicly traded companies which may not fully capture the performance of smaller, independent businesses.This research provides a crucial understanding of the fundamental shifts occurring within the tourism industry and offers a framework for analysing the impact of large-scale disruptions. It also highlights a need for more research on the long-term effects of the pandemic on consumer behaviour and business travel. Future studies should further explore the sustainability of the industry under its new circumstances, examine the evolving trends of bleisure travel, and examine the factors influencing OTA's growth and adaptation. Additionally, more geographically diverse research is essential for a comprehensive understanding of the global tourism industry, alongside a more in-depth study of regional trends and consumer behaviours. By exploring these avenues, future research can build upon the insights presented here to develop a more complete understanding of the post-pandemic tourism landscape.

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