LUXURY DAILY
FUTURE OF LUXURY TRAVEL

JANUARY 2020
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Resonance Consultancy is a global advisor on real estate, tourism and economic development for countries, cities and communities around the world.

Our work includes research, strategy and branding.
Since 2008, we’ve conducted online surveys of more than 1,500 U.S. travelers in the top 1%, 5%, and 10%.

**Top 1%**  
$430K+ HHI and/or $8 million+ NW

**Top 5%**  
$230K+ HHI and/or $2 million+NW

**Top 10%**  
$180K+ HHI and/or $1.2 million+NW
GROWING LUXURY, GROWING INFLUENCE

The total number of luxury consumers is expected to reach 480 million in 2022, a 20% increase from 2015.
The wealthy want more of everything in 2020, but since 2008, their devices, their vacations and their time are most precious.

Please rate the desirability of each of the following luxury items and experiences. Affluent Travellers, Top 5%
CONSPICUOUS LEISURE

As opposed to conspicuous consumption, social status today is signalled through the consumption of experiences rather than material goods.

By 2023, the experiential segment is forecast to account for nearly two-thirds of the total $1.2 billion luxury market.
THE PROMISE OF LUXURY TRAVEL

For the top 1%, 5% and 10% of Americans, luxury travel enriches in a way money alone cannot. It puts them out their comfort zone—often in spectacular comfort—and connects them with the world in a way their day-to-day life doesn’t permit.
TRENDS & EFFECTS
NEW PROFILES IN LUXURY
This bring-it-on mindset is interested in taking most types of vacations, from beach to city to mountain, and everything is important when deciding on a destination. They’re also more likely to participate in most types of activities.
They take fewer vacations per year to farther destinations; they prioritize exploring new cultures and traditions, and learning new things.
ACTIVE ADVENTURERS

They have a passionate interest in outdoor sports and health/fitness activities, and less interest in family or multi-generational vacations. They’re more likely to travel greater distances to get to their destination.
An increased number of All-in Enthusiasts (+7%), and Sophisticated Explorers (+5%) are now affluent travelers.

**ENTHUSIASTS ON TOP**

![Bar chart showing the top 5 affluent traveler segments and their percentages for 2016 and 2020.]

- **Sophisticated Explorers**: 25% (2020), 20% (2016)
- **All-in Enthusiasts**: 33% (2020), 24% (2016)
- **Active Adventurers**: 36% (2020), 24% (2016)
- **Infrequent Convenience Travelers**: 8% (2020), 4% (2016)
- **Family-Oriented Frugals**: 14% (2020), 13% (2016)
DEMOCRACY AND DIVERSITY

The rise of All-in Enthusiast means that the definition of a luxury experience is expanding.

Cultural Attractions are as important as Fun Attractions. Access to the Outdoors and Iconic Landmarks are both a big deal.
THE RISE OF CITY TRIPS
Globally, city trips for leisure soared 98% between 2011 and 2016. In 2017, they grew another 16%.

1/4 of all leisure vacations are now spent in cities.
VISITS TO CITIES ARE NOW MORE DESIRABLE THAN VISITS TO THE BEACH

What types of vacations will you take in the next 12-24 months? Affluent Travellers, Top 5%
Cities have emerged as the new playground for the affluent.

The popularity of cities influences where hospitality brands grow. Six Senses and Aman, traditional resort-based brands, are both coming to New York.

As more people vacation in cities, more may consider a vacation home in a city.
THE EMERGENCE
OF CRUISE
The interest in cruise vacations increased by 12% since 2016, moving from the fifth to the third most desired type of trip.

What types of vacations will you take in the next 12 - 24 months? Affluent Travellers, Top 5%
Cruise is the new jet-set

With its balanced pace, convenience and rich programming, a cruise is more akin to a wellness experience than flying can ever be.

30,000 feet was hot; now it’s sea level. Ritz-Carlton’s ship launches this year, Crystal teams with Four Seasons; GOOP makes cruise cool for the curious wealthy.
THE CALL
OF THE UNKNOWN
Bucket-list, once-in-a-lifetime activities are growing in desirability, from 60% to 71%.

While on vacation what activities do you enjoy regularly, enjoy occasionally, would like to try, or do not enjoy? Affluent Travellers, Top 5%
A ROAD LESS TRAVELED

Off-the-beaten-path locations have grown in desirability from 14% to 24%.

On a scale of 1-10, what are the most important factors you take into account when deciding on a vacation destination? Affluent Travellers, Top 5%

- Safety
- Quality of hotels
- Favorable climate/weather
- Easily accessible by commercial flights
- Scenery and nature
- Opportunities to learn something new
- Good cultural attractions
- Close to beach, access to water
- Exciting city environment
- Iconic Landmarks
- Access to outdoor activities
- English spoken
- U.S. currency accepted
- Online Peer Reviews and Ratings
- Friends/family members have had positive...
- Fun attractions
- Cost
- Off the beaten path location not often...
- Festivals & events
- All inclusive pricing
- Professional printed guidebook reviews
- Passport not required to visit
- Magazine/Newspaper articles
EXPERIENTIAL CONNOISSEURSHIP

There’s an ever-growing appetite for transformative experience that makes affluent travelers smarter, better and offers unique bragging rights—and that’s an opportunity for companies to encourage exploration and create new offerings.
LOVING LOCALISM
Local neighborhood and community events continue to grow in popularity, from 71% to 76%, now equalling the popularity of plays and musicals.

While on vacation what activities do you enjoy regularly, enjoy occasionally, would like to try, or do not enjoy? Affluent Travellers, Top 5%
Festivals bundle a local sense of place together into an easy-to-consume sensory bundle.

They allow wealthy travelers to enjoy a local experience, learn something new, attend a cultural event, dine and potentially even shop in one appealing package.

While on vacation what activities do you enjoy regularly, enjoy occasionally, would like to try, or do not enjoy?
Affluent Travellers, Top 5%
The desire for the differentiated and place-specific continues when the affluent shop.

While on vacation what activities do you enjoy regularly, enjoy occasionally, would like to try, or do not enjoy? Affluent Travellers, Top 5%
MORE AUTHENTICITY

A local event isn’t created for the visitor, but for the people in the community. That’s its appeal, and it’s the very definition of authentic.

The wealthy live in a unique isolation. Local events take them closer to the personal and the unscripted.
WEALTHY IS WELL
WELLNESS BOOMS

The $4.2 trillion wellness industry is growing at the high end as mind, body, and soul experiences occupy an ever larger experiential niche.

While on vacation what activities do you enjoy regularly, enjoy occasionally, would like to try, or do not enjoy?
Affluent Travellers, Top 5%
At 79%, 18-34-year-olds are most interested in health and wellness activities on vacation compared to other segments: just 66% of 35-64-year-olds are into it, and only 42% of 65+.

**THE WELL MILLENNIAL**

While on vacation what activities do you enjoy regularly, enjoy occasionally, would like to try, or do not enjoy? *Affluent Travellers, Top 10%*
With the coming of a new generation conscious of balance, self-care and burnout, wellness is being broadly and creatively defined. A sophisticated and inventive approach to wellness is essential for luxury experience providers.
TRAVELS
WITH MYSELF
34% of affluent travelers plan a solo vacation in the next 12-24 months.

What types of vacations will you take in the next 12 - 24 months? Affluent Travellers, Top 5%
CONSCIOUS UNCOUPLING

Traveling solo makes a visitor more accessible and opens up a world of opportunity for new encounters.

Technology is an idea travel partner for travelers experienced and confident enough to strike out on their own.

Solo travel makes safety—the first consideration in choosing a destination for all travelers—even more important.
LUXURY IS SHARING
AND SHARING IS LUXURY

“... the world of luxury is infinitely elastic, Gucci is a palazzo with room for everybody, and the way to live is together, in harmony, in all of its overstuffed rooms.”

– Alessandro Michele
YES TO HOMESHARING

In 2016, 23% of affluent travelers were not familiar with homesharing services such as Airbnb and VRBO.

Today, that number is just 6%.

Which of the following best describes your use of owner direct accommodation rental services such as Airbnb or VRBO? Affluent Travellers, Top 5%
In 2020, 26% of wealthy travelers prefer to stay in a VRBO compared to 11% in 2016—a 15% increase.

Both Millennials and 35-64-year olds prefer Airbnb. 65+ do not.
The sharing economy is firmly and definitively in the luxury travel mainstream. With Airbnb Lux, 3rd Home, OneFineStay and many others, what started as the most democratic of hospitality categories is now also among the most exclusive.
HOTELS IN EVOLUTION
While hotels appear to be losing traction, Quality of Hotels is second only to Safety when choosing a destination.
For the top 10%, the top three choices are JW Marriott, The Ritz-Carlton and the Four Seasons. Park Hyatt and Waldorf Astoria round out the top five.

When choosing a luxury hotel for a vacation, which brands would be your top 3 choices, if available?
Affluent Travellers, Top 10%
The top 1% have somewhat different preferences. Four Seasons, JW Marriott and The Ritz.
HOSPITALITY BLURS

Hotels are adapting to a new landscape. Traditional categories of hospitality are evolving, with major hotels like Marriott moving aggressively into the sharing business and even Four Seasons growing its pool of rental options. Aman and Auberge are increasingly in real estate.
ALL-INCLUSIVES
MOVE UP
All-inclusive resorts are the third most popular accommodation option, and are rising in popularity (+5%).

### While on vacation, what kind of accommodation do you prefer? Affluent Travellers, Top 5%

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<thead>
<tr>
<th>Accommodation Type</th>
<th>2020</th>
<th>2016</th>
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<tbody>
<tr>
<td>Full Service Hotel/Resort</td>
<td>59%</td>
<td>65%</td>
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<tr>
<td>Upscale/Luxury Hotel/Resort</td>
<td>55%</td>
<td>63%</td>
</tr>
<tr>
<td>All inclusive resort</td>
<td>38%</td>
<td>34%</td>
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<tr>
<td>Cruise ship</td>
<td>37%</td>
<td>32%</td>
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<tr>
<td>Boutique Hotel</td>
<td>34%</td>
<td>42%</td>
</tr>
<tr>
<td>House/Villa rental</td>
<td>31%</td>
<td>39%</td>
</tr>
<tr>
<td>AirBnB or other room/home sharing service</td>
<td>11%</td>
<td>20%</td>
</tr>
<tr>
<td>Stay with friends or family</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>B&amp;B/Small Inn</td>
<td>20%</td>
<td>24%</td>
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<tr>
<td>Apartment/condominium rental</td>
<td>19%</td>
<td>20%</td>
</tr>
<tr>
<td>Timeshare condo/home</td>
<td>18%</td>
<td>21%</td>
</tr>
<tr>
<td>Camping</td>
<td>14%</td>
<td>11%</td>
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<tr>
<td>Limited Service/Economy Hotel/Resort</td>
<td>12%</td>
<td>14%</td>
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<tr>
<td>Hostel</td>
<td>9%</td>
<td>6%</td>
</tr>
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ALL-INCLUSIVE UPScale

The all-inclusive segment is offering boutique vibes, luxury amenities, local travel experiences, and age-specific services.
CONVENIENCE IS KING

The irresistible ease of all-inclusive is making headway in the high end, transforming the category.

Seven luxury Marriott brands, including The Ritz-Carlton, the Luxury Collection, Autograph and Westin, have all-inclusives in the pipeline.
IDENTIFY THREE KEY TRENDS WHICH WILL HAVE THE MOST IMPACT ON LUXURY TRAVEL IN THE FUTURE

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