

XXX RESONANCE

LUXURY DAILY FUTURE OF LUXURY TRAVEL

JANUARY 2020

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ABOUT US

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.





FUTURE OF LUXURY TRAVEL REPORT

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.

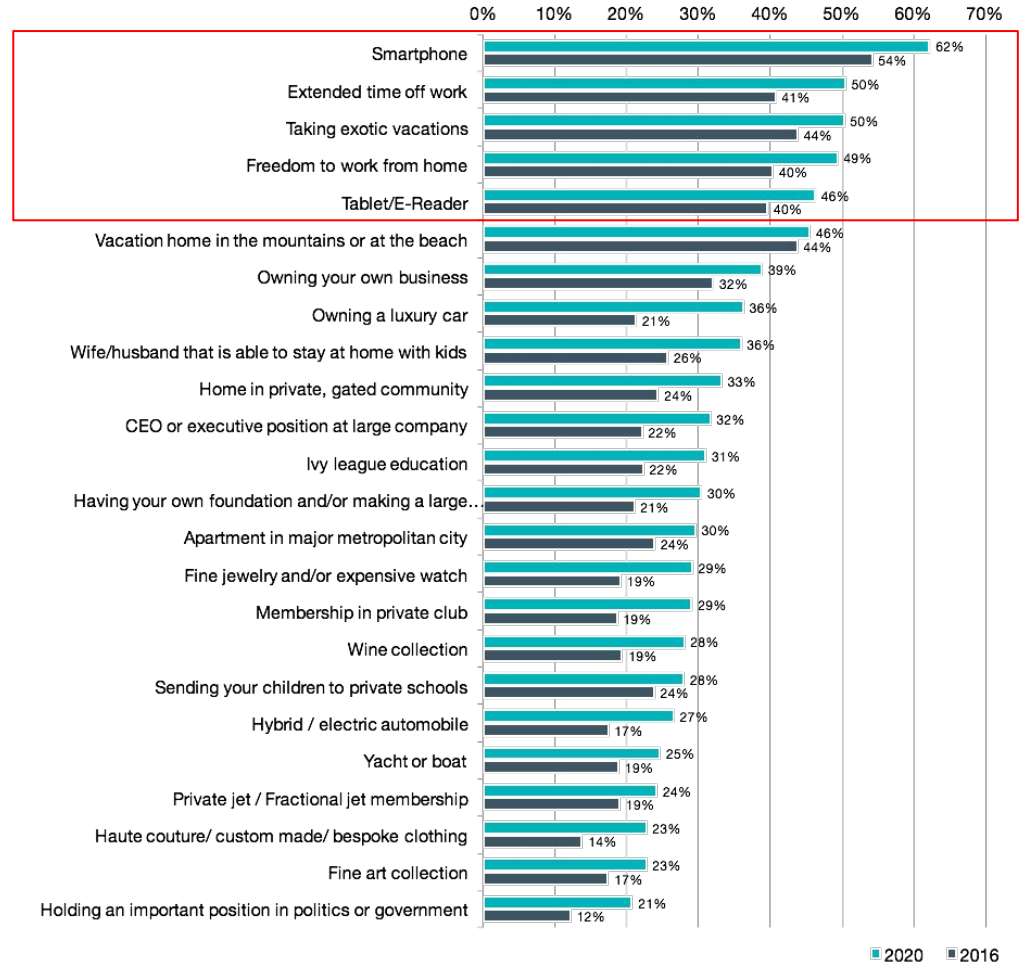




TECH, TRAVEL & TIME

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%



■ 2020 ■ 2008



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





ALL-IN ENTHUSIASTS

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.





SOPHISTICATED EXPLORER

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.

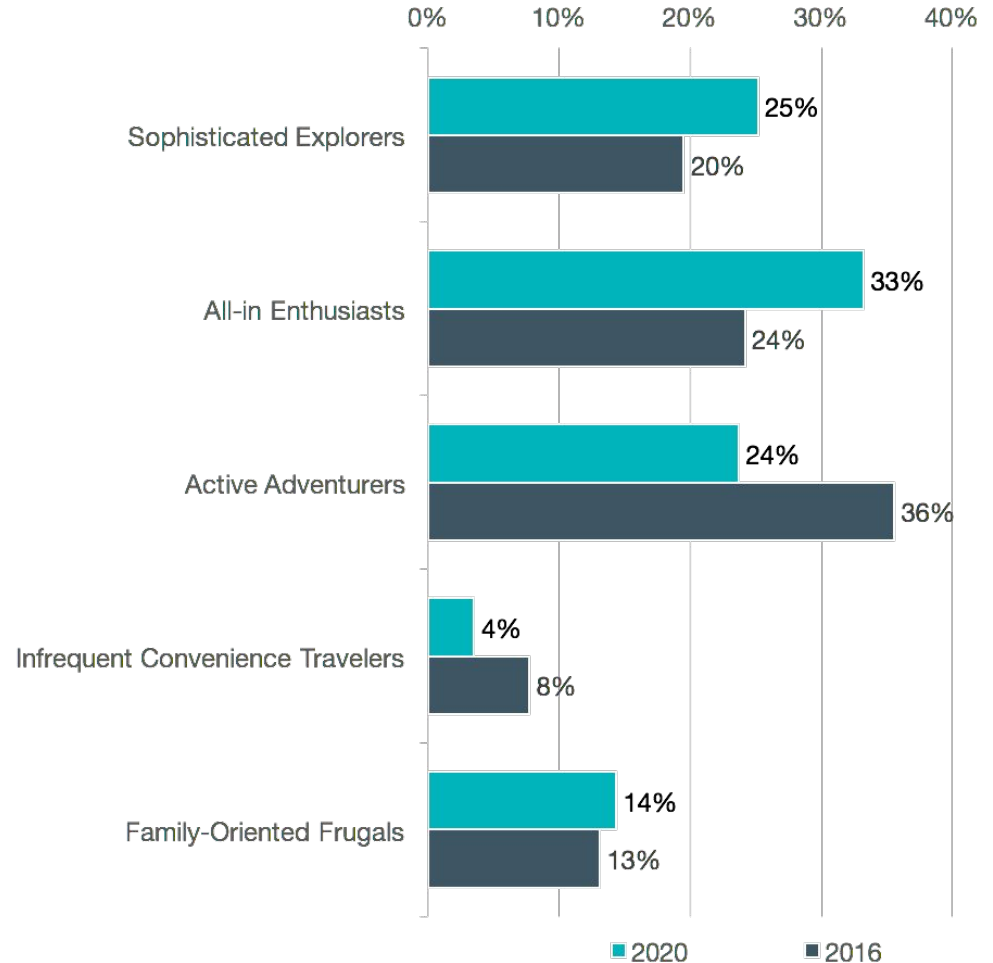




ENTHUSIASTS ON TOP

An increased number of All-in Enthusiasts (+7%), and Sophisticated Explorers (+5%) are now affluent travelers.

Affluent Travellers, Top 5%





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





THE URBAN EXCITES

Globally, city trips for leisure soared 98% between 2011 and 2016. In 2017, they grew another 16%.

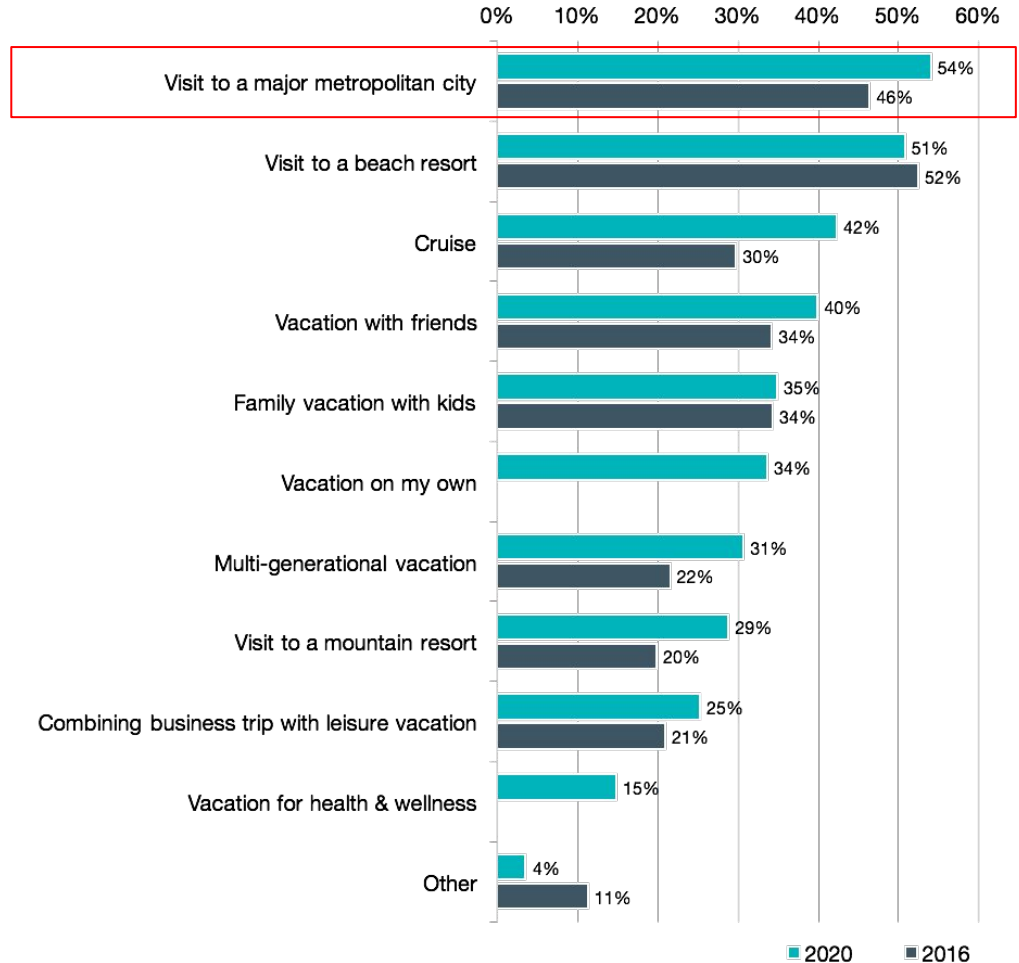
1/4 of all leisure vacations are now spent in cities.





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 ARE THE NEW RESORTS

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

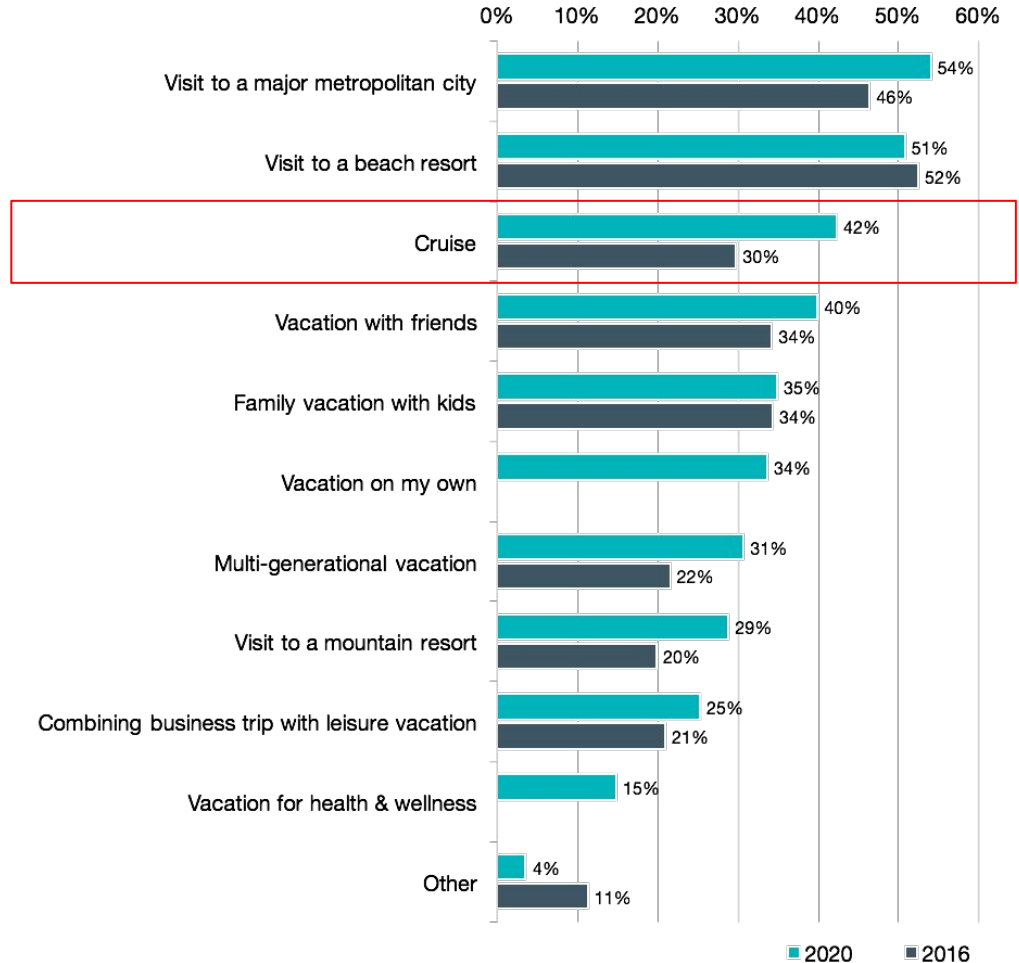




HOSPITALITY FLOATS

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

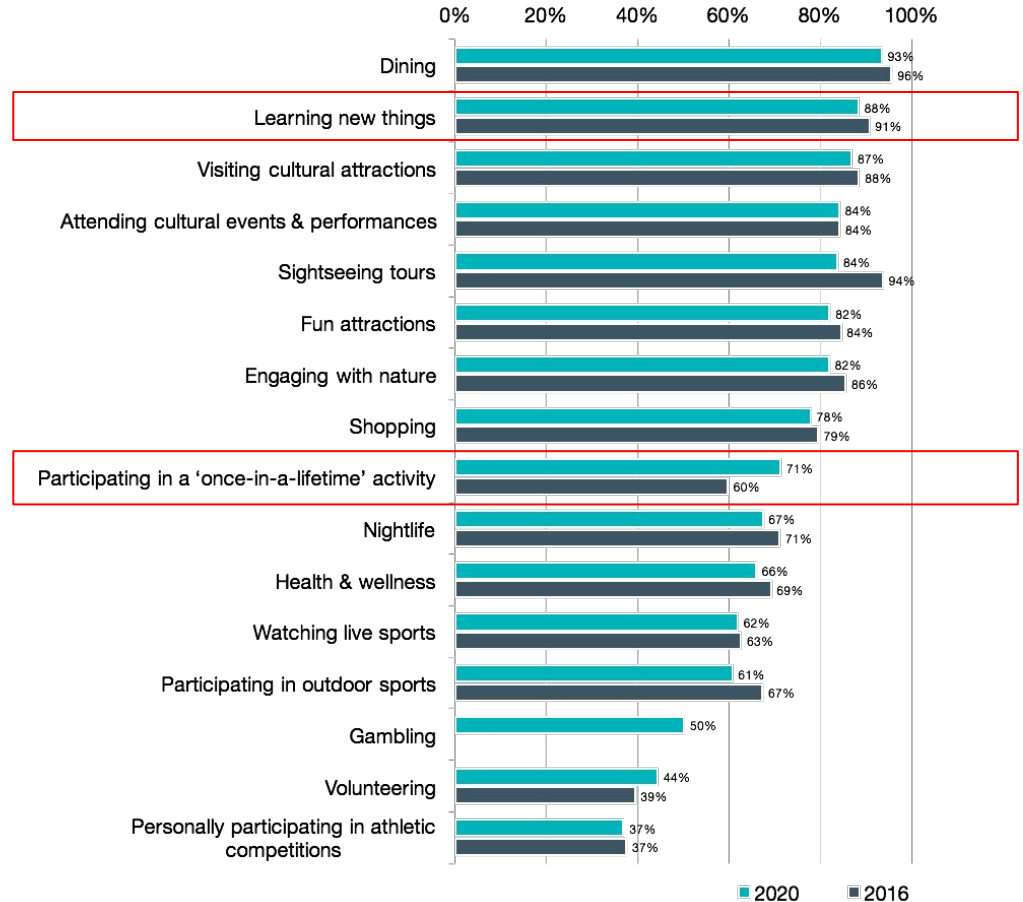




THE ONCE-IN-A-LIFETIME

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%*

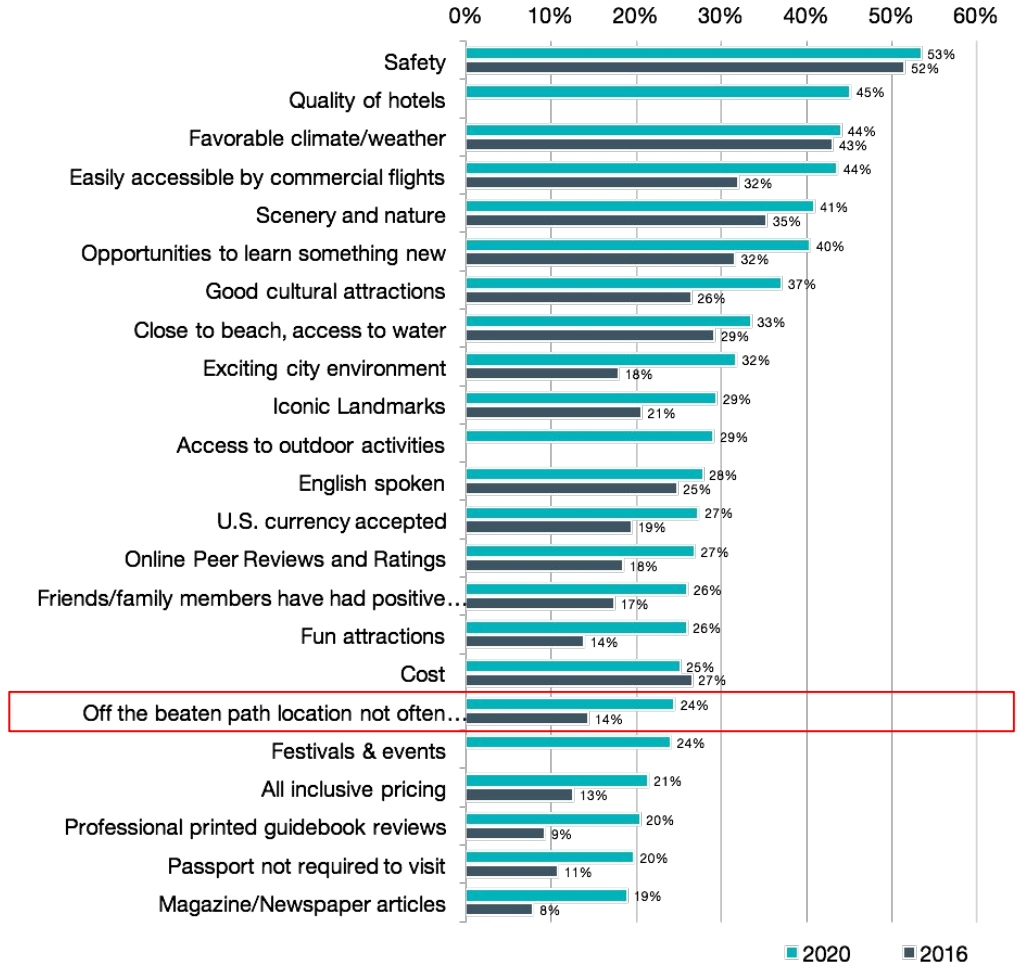




A ROAD LESS TRAVELED

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%





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

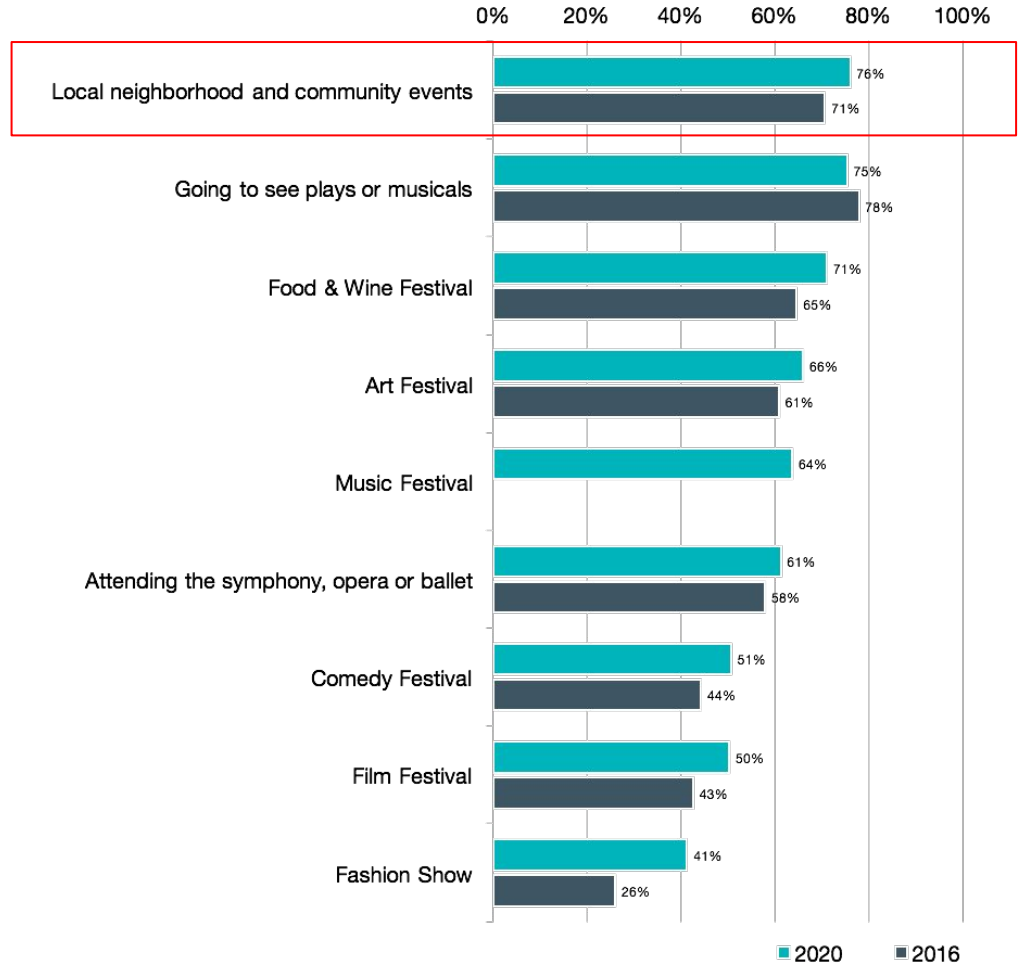




LOCAL IS UNIVERSAL

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%*



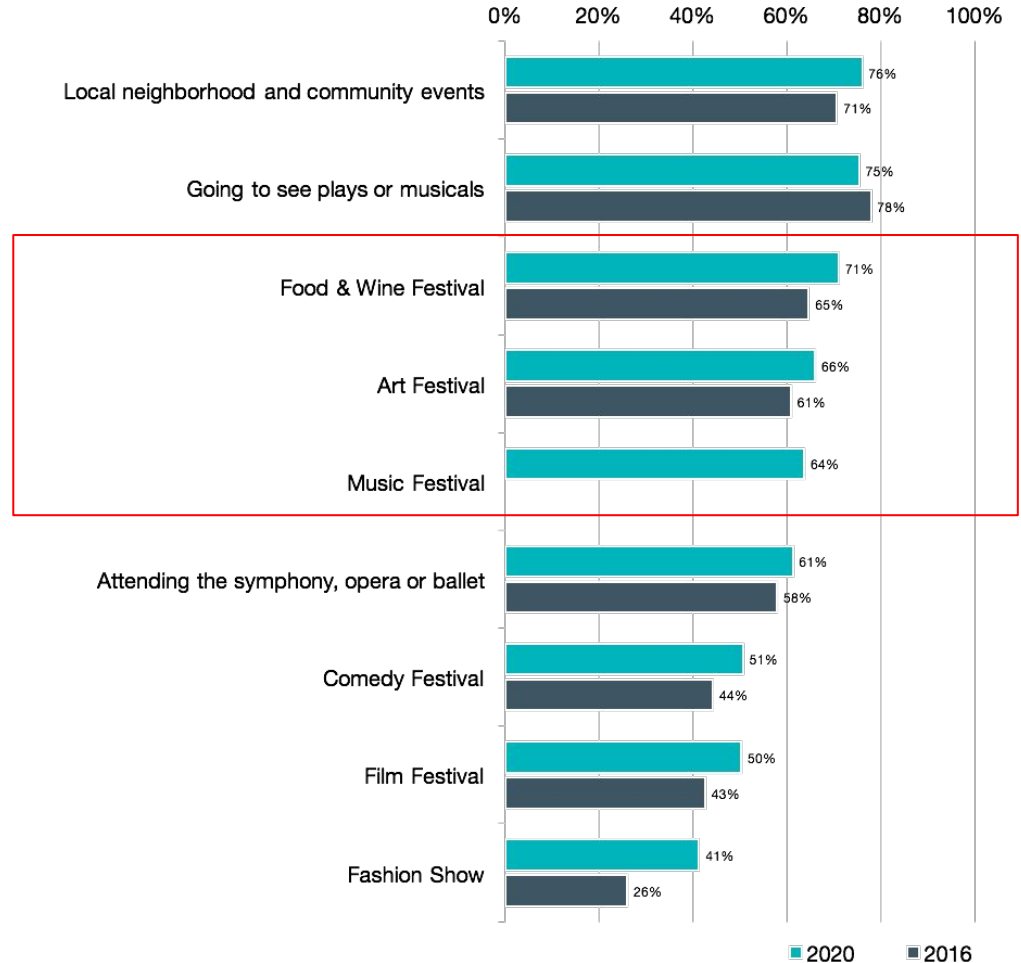


LOCAL IS FESTIVAL

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%*

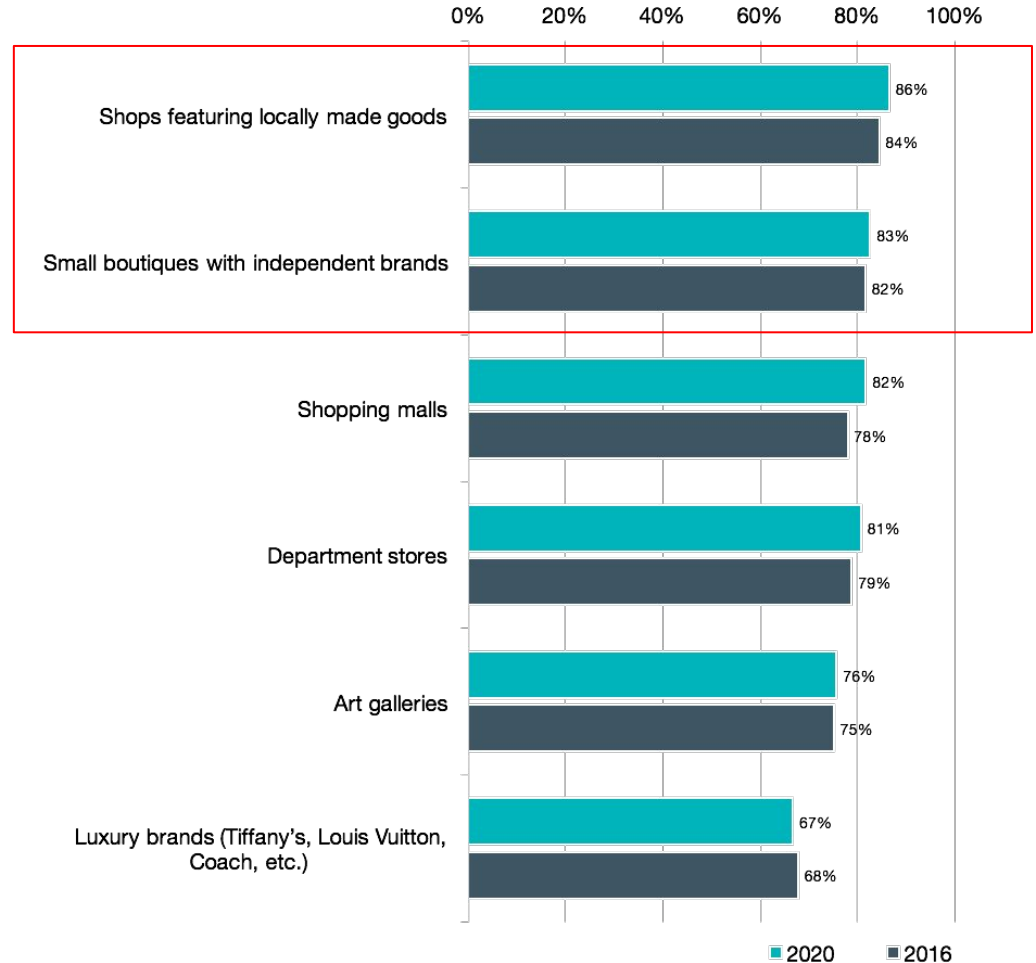




LOCAL IS INDEPENDENT

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%*





WEALTHY IS WELL

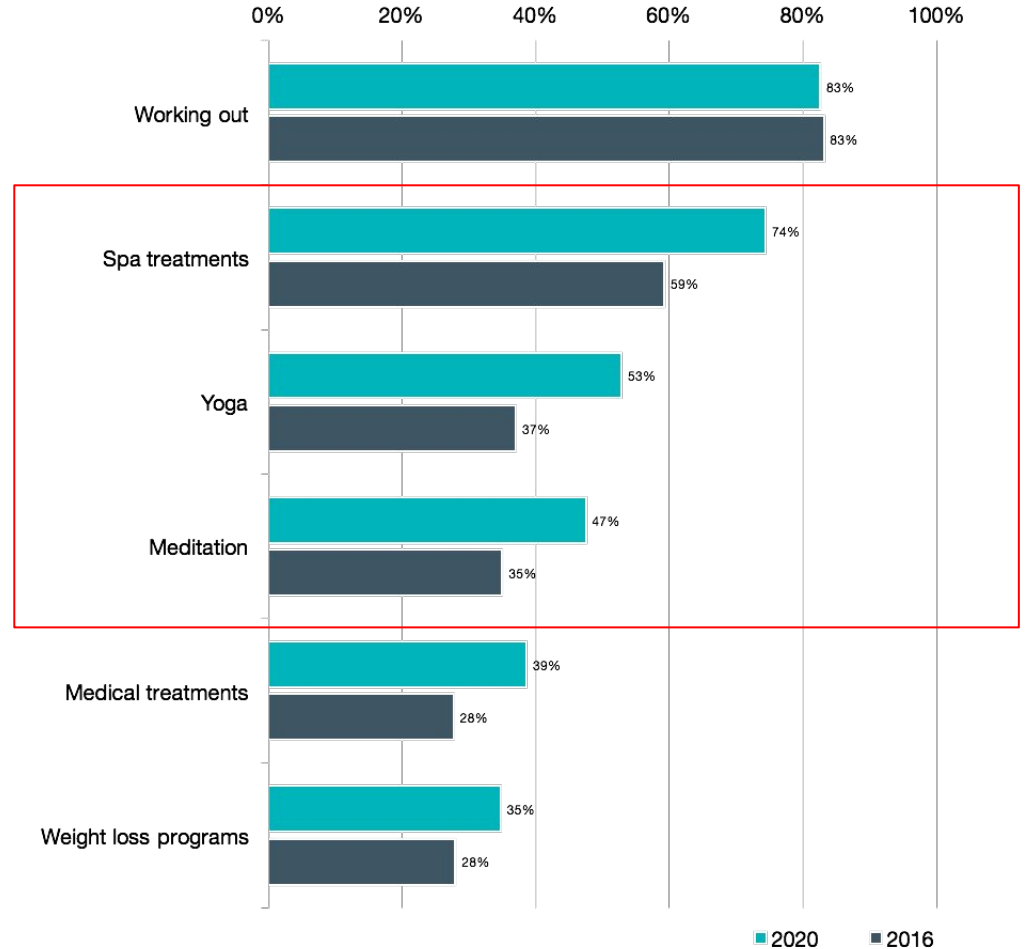




WELLNESS BOOMS

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%*

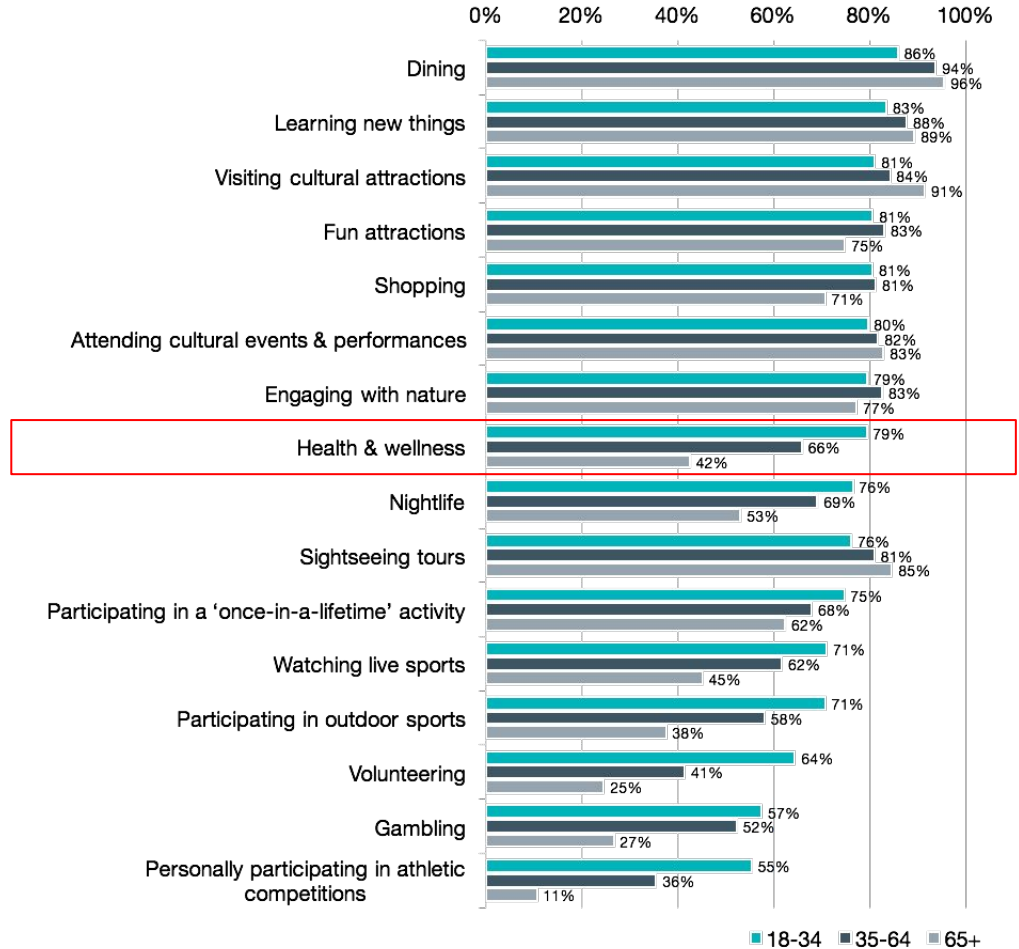




THE WELL MILLENNIAL

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+.

*While on vacation what activities do you enjoy regularly, enjoy occasionally, would like to try, or do not enjoy?
Affluent Travellers, Top 10%*





WELLNESS BLOOMS

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

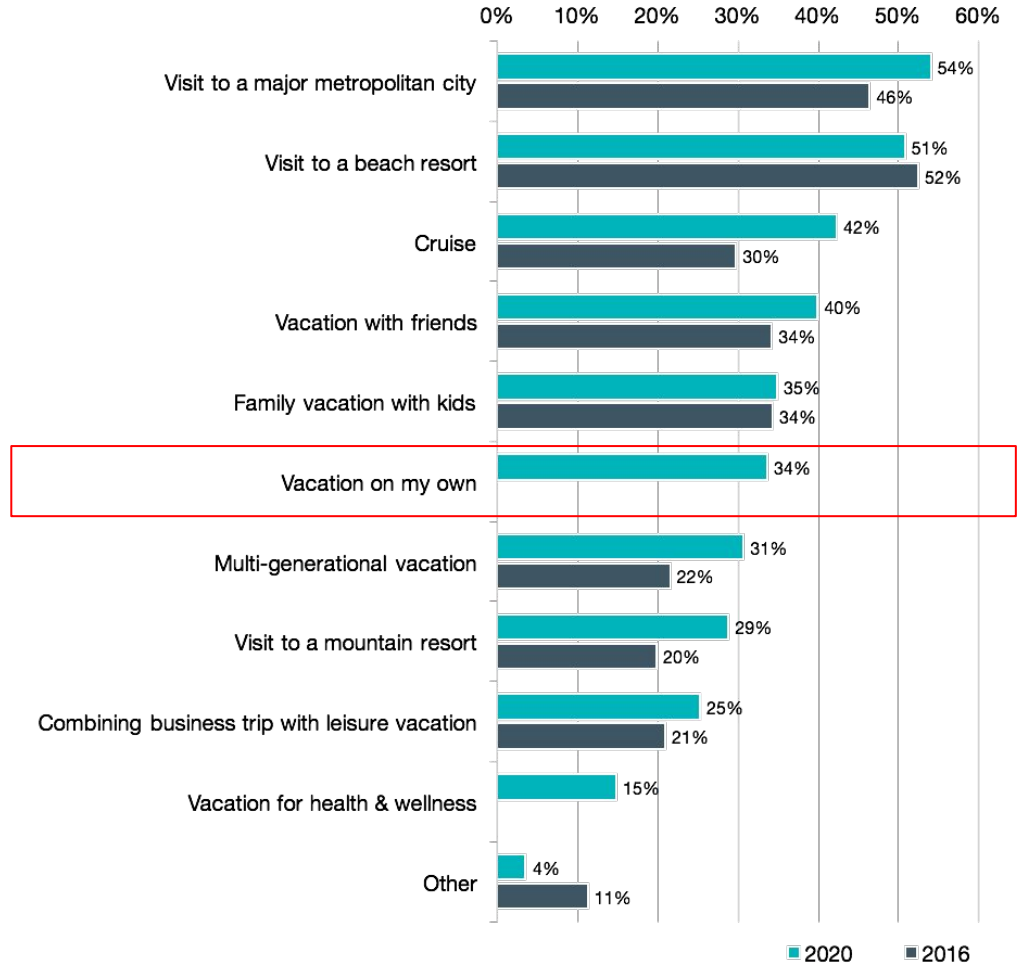




SOLO IS THE WAY TO GO

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.

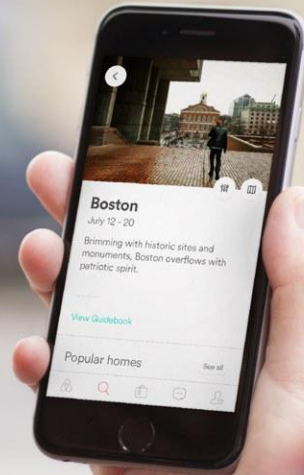
Technology is an idea travel partner for travelers experienced and confident enough to strike out on their own.

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



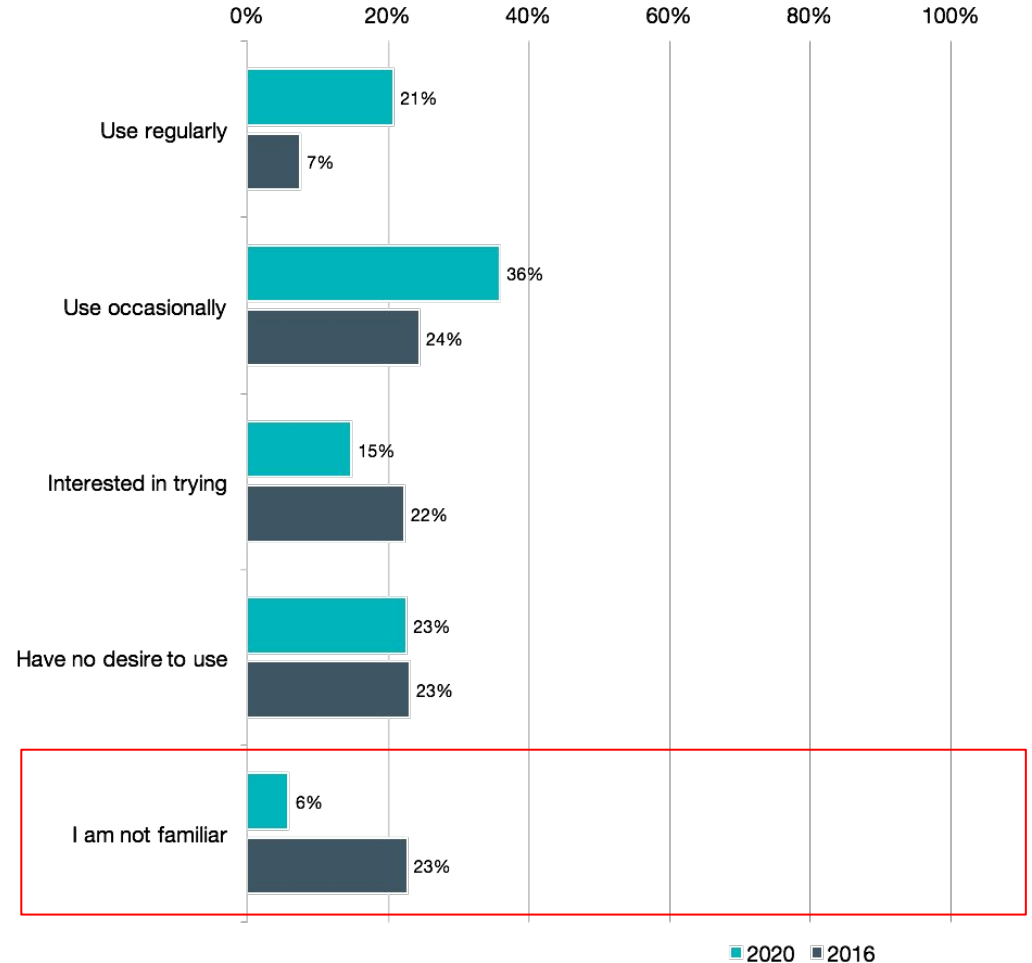


YES TO HOMESHARING

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%



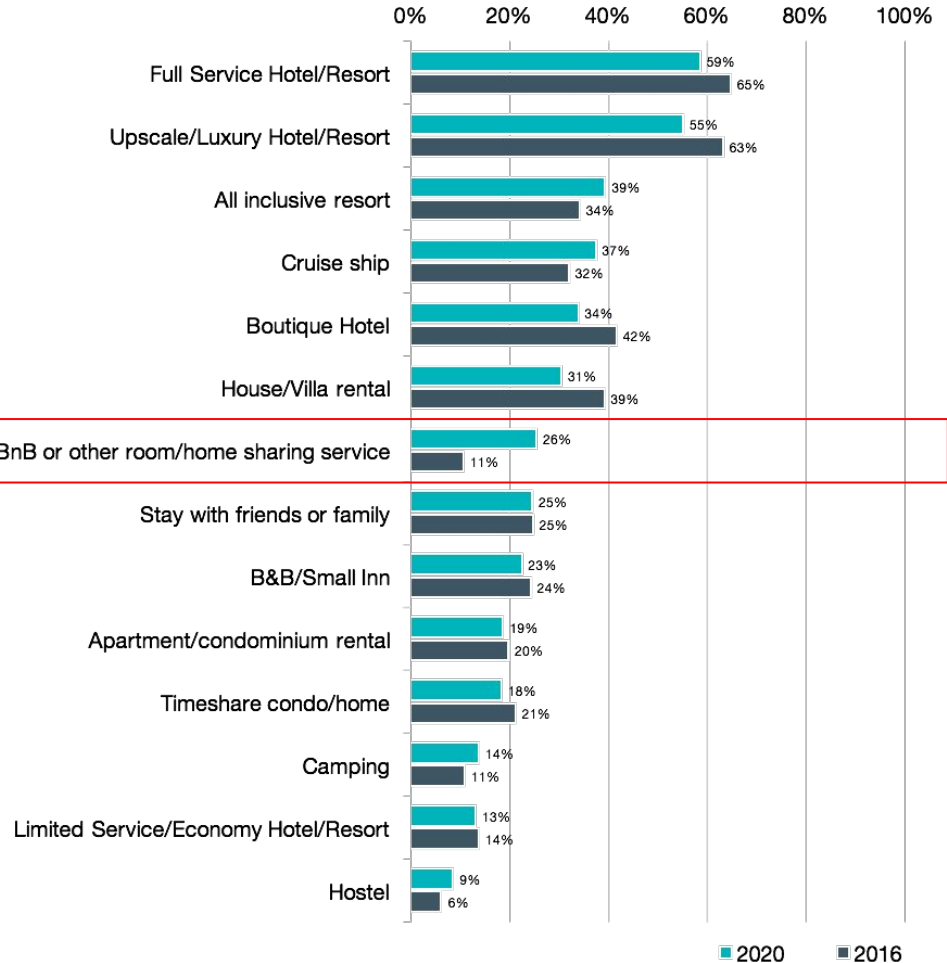


SHARING VS. HOTELS

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.

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





EXCLUSIVELY SHARED

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

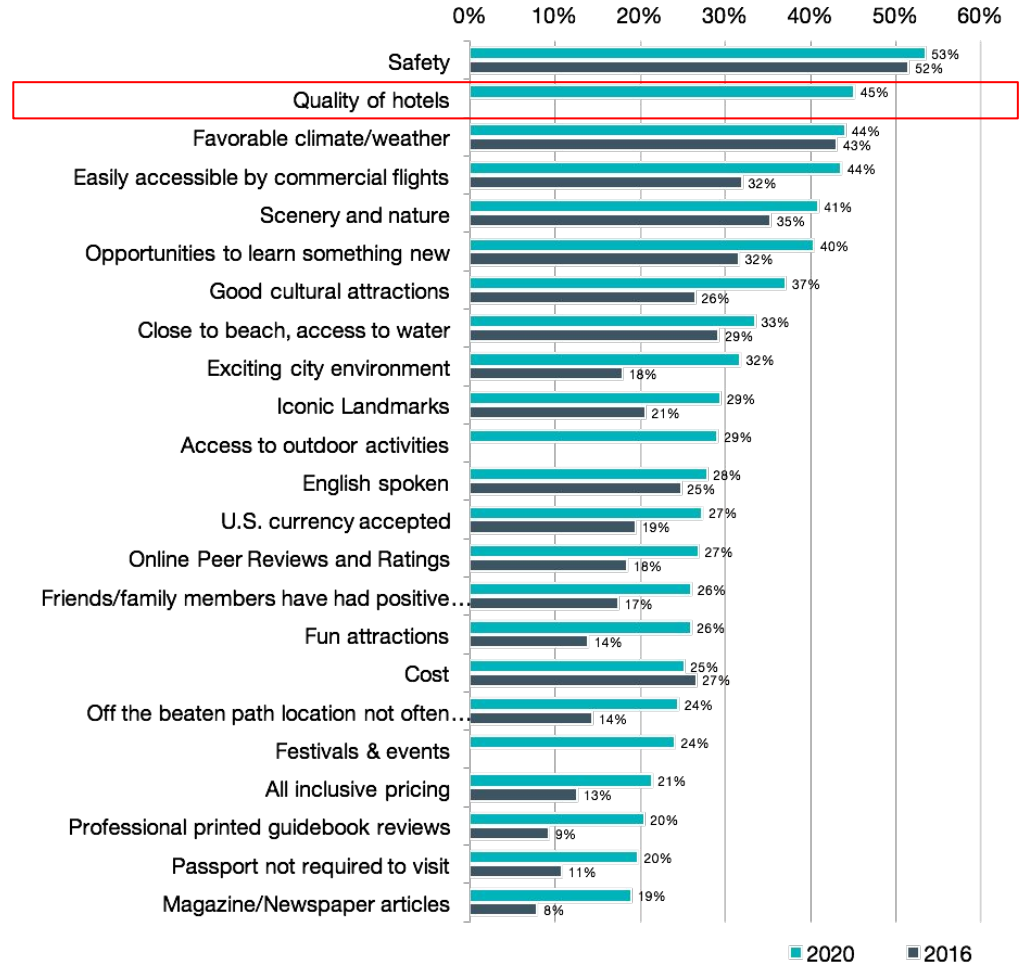




UP WITH HOTELS

While hotels appear to be losing traction, Quality of Hotels is second only to Safety when choosing a destination.

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%

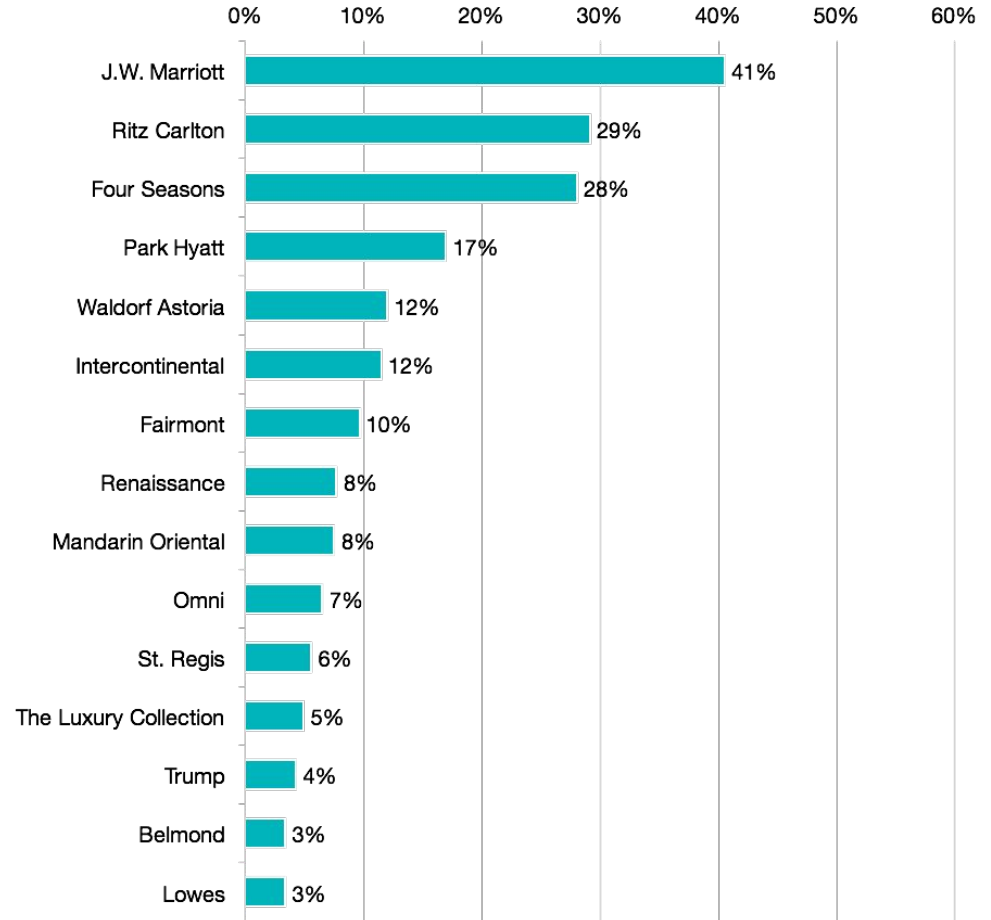




TOP BRANDS FOR THE TOP 10%

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%*



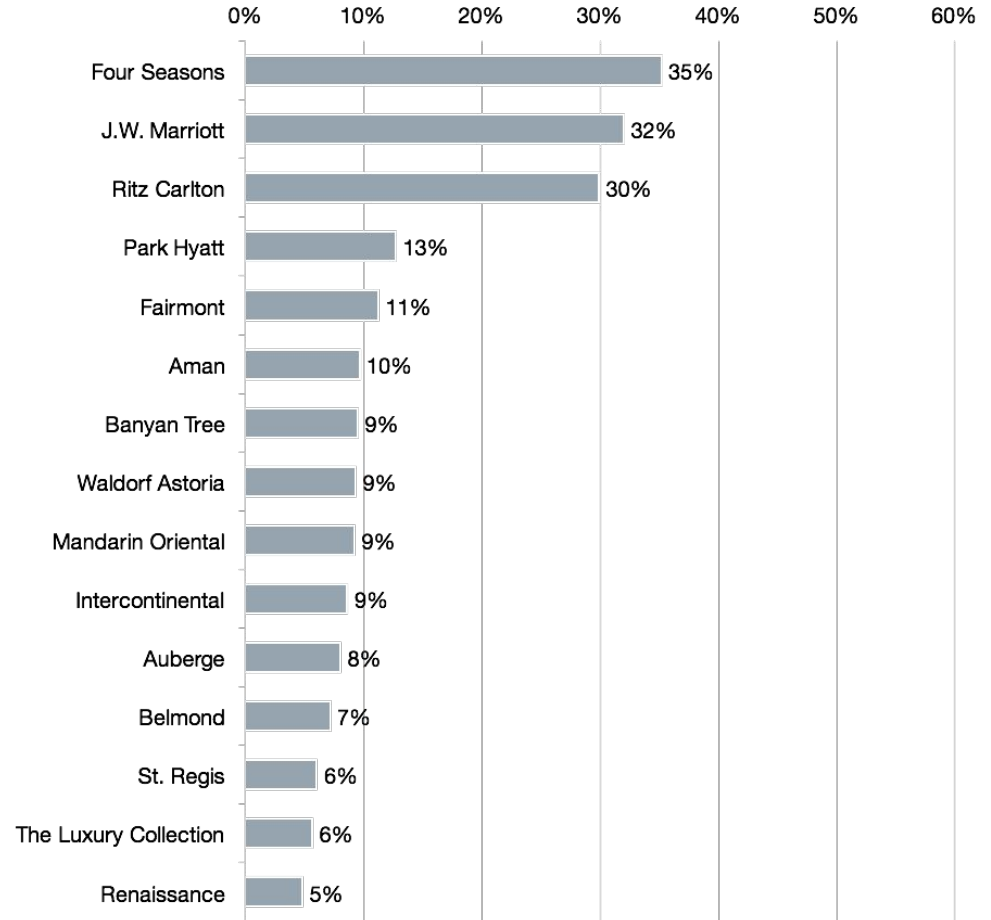
■ Top 10%



TOP BRANDS FOR THE TOP 1%

The top 1% have somewhat different preferences. Four Seasons, JW Marriott and The Ritz.

*When choosing a luxury hotel for a vacation, which brands would be your top 3 choices, if available?
Affluent Travellers, Top 1%*



■ Top 1%



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

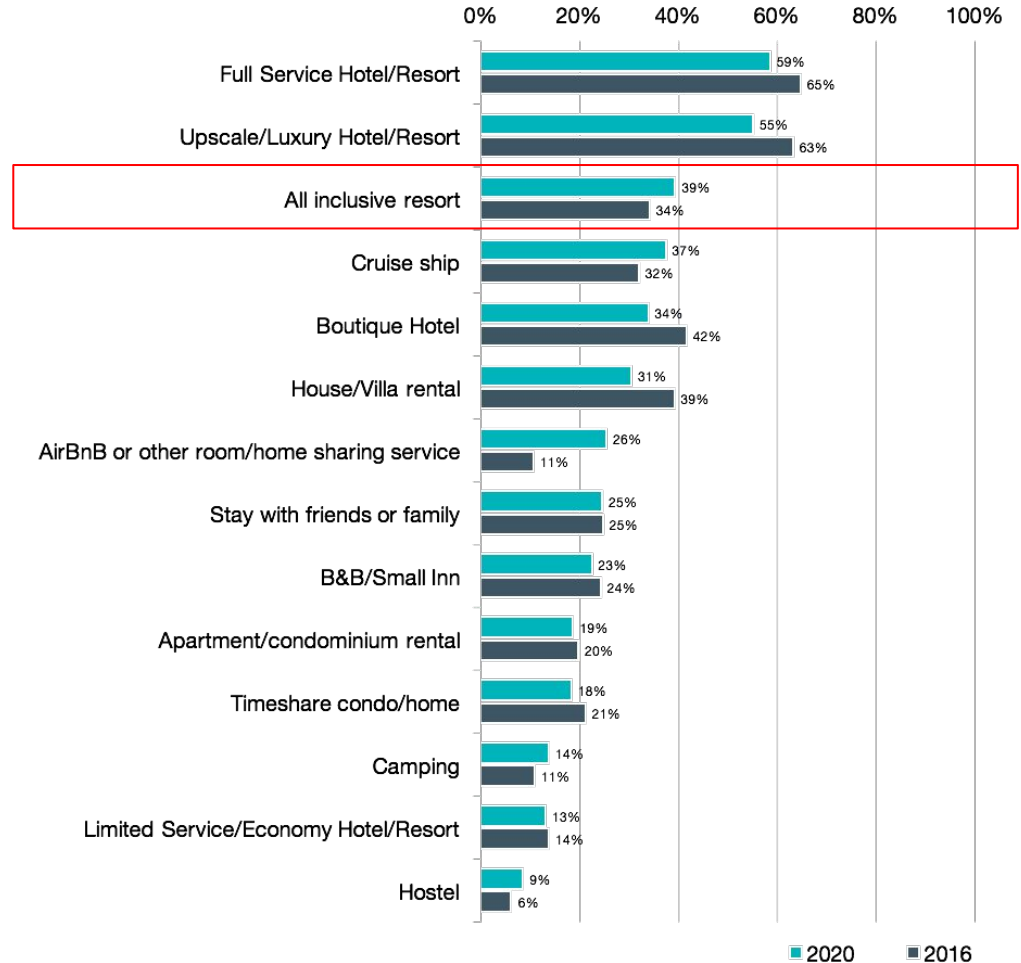




ALL-INCLUSIVE CHIC

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%





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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THANK YOU!

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