

RESEARCH

## Luxury travelers make up to 18 purchases before a trip: report

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*Michael Kors spring/summer 2013*

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By SARAH JONES

The time period before a consumer takes a trip is an ideal time to target them with retail advertisements, due to a higher likelihood they will convert, according to new research from Rocket Fuel.

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**Luxury Daily**

Luxury travelers are 59 percent more likely than those who do not have a trip booked to make a retail purchase. With luxury guests booking their trips an average of 53 days in advance, marketers have a significant amount of time to reach them before they depart.

"The findings demonstrate a direct correlation with increased spending by luxury travelers in the duration preceding a trip," said Chris Lorenzoni, director of category strategy for travel at Rocket Fuel, New York.

"In the study we found that luxury travelers made up to 18 purchases prior to a trip at an average spend per purchase of \$184.55," he said. "Armed with this data, luxury advertisers and brands can develop ad campaigns targeted at travelers from the moment they book their vacation, knowing that during the period between booking and vacation these consumers are predisposed to make more purchases."

For its “[A Tale of Two Travelers](#)” report, Rocket Fuel used data and responses from campaigns run by multiple advertisers from April 1 through Nov. 30, 2014 to identify luxury and non-luxury travelers. It then tracked the 1.2 million conversions of these 240,000 unique travelers from the time of booking to the time of their trip.

#### Purchasing potential

While non-luxury travelers book an average of 23 days before their trip, luxury bookers lock down their rooms 53 days in advance, with a median of 29 days.

A median luxury booking is \$507, to non-luxury’s \$127. Forty-seven percent of luxury travelers book a room with a king-size bed, with 38 percent booking other types, such as suites.

In the additional time luxury travelers give themselves before leaving, they make up to 18 purchases to non-luxury travelers’ max of four buys.



#### *Non-luxury and luxury travelers behave differently before their trips*

Luxury travelers are more likely to convert from retailers, with 44 percent buying compared with only 38 percent of non-luxury travelers. Luxury trip planners spend an average of \$184.55 per purchase, about \$70 less than their non-luxury counterparts, with an average of 1.4 total purchases.

Not surprisingly, luxury travelers are 206 percent more likely to buy from a luxury department store before their trip. However, non-luxury travelers do still buy from these outlets, with 43 percent buying home goods, followed by women’s apparel, beauty and men’s apparel.



*Bloomingdale's Palo Alto store*

Compared to non-travelers, those who have booked are more likely to convert on categories including entertainment, fashion, dining and media. However, luxury travelers are less likely to buy consumer packaged goods, automotive, health and beauty and finance than their non-traveling counterparts.

Within 30 days of booking a hotel, 30 percent of those studied bought something online and 16 percent converted to an automotive campaign. Twenty-seven percent booked a flight in the same time frame, while 6 percent booked a cruise.

"The knowledge that hotel travelers book well in advance, combined with Rocket Fuel's insights on purchases that are made from booking to departure, affords hotel brands the ability to target and upsell these travelers with ancillary products and services, including room upgrades, golf tee times, excursions, dinner and spa reservations," Mr. Lorenzoni said.

#### Travel plans

Eighty percent of affluent consumers across generations are planning to take a trip for pleasure in the next 12 months, according to a report by the Shullman Research Center.

Sixty-nine percent of affluent respondents said that they plan to travel domestically, while 27 percent said they had international travel plans. For brands in the travel space, the ability to swoop in and guide undecided consumers presents a large opportunity ([see story](#)).

Luxury travelers are apt to use digital means to book, opening up opportunities for other marketers to reach them during the planning process.

Fifty-two percent of luxury travelers say they are likely to book a trip on a smartphone within the next year, compared to the average 29 percent across all segments of travelers, according to a report by Expedia Media Solutions and comScore.

Even with the proliferation of mobile usage, travel brands can't discount other forms of digital marketing, including desktop Web sites and placement on publications. This is especially true for luxury consumers, who use the most number of types of resources to make their plans ([see story](#)).

"Many retailers primarily use reactive approaches to reaching travelers via on-site searches and search engine marketing, combined with retargeting tactics," said Ryan Bleich, director of category strategy for retail at Rocket Fuel. "In doing so they are missing out on reaching potential travelers who demonstrate online behaviors that suggest they are thinking about booking.

"The use of AI and Big Data presents an opportunity for advertisers to leverage technology that uncovers purchasing patterns and identifies key moments of influence, which can result in higher performing campaigns," he said. "Advertisers are highly aware of back to school, Black Friday, Christmas, dads and grads and other event-based triggers for shopping, but AI and Big Data are opening the door to not-so-obvious links that can predict when a consumer may be predisposed to buy."

Final Take

*Sarah Jones, staff reporter on Luxury Daily, New York*

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