

TRAVEL AND HOSPITALITY

## We are in a period of conspicuous leisure: Resonance exec

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Consumers are now using experience as a status symbol. Image credit: St. Regis

By SARAH JONES

NEW YORK Experiences have replaced tangible things such as cars, homes and jewelry as the ultimate status symbol, opening the door for differentiated travel offerings that give the wealthy something to brag about.

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Due to this focus on the intangible, two-thirds of luxury spending today is expected to be earmarked towards experiential purchases by 2023, and vacations and time rank among the top three most important things for the affluent. During a keynote at Luxury FirstLook 2020, an executive from Resonance explained that for the affluent, travel is a way to combat their typical isolation and engage with more of the world, including individuals who are of differing socioeconomic backgrounds.

"The promise of luxury travel is that it's enriching for the affluent in a way that money alone is not," said Dianna Carr, vice president of storytelling at **Resonance**. "It puts people out of their comfort zone, and it also connects them to the world in a way their day-to-day lives which are often quite isolated don't permit.

"Luxury travel promises a kind of transformation that nobody can touch," she said. "The specter of inequality is something that hangs over the affluent all the time and experience, a trip, is a way to not only connect with the people they don't usually connect with, but it's a way for them to be in the world in a way they're usually not."

The research presented by Resonance is based on the firm's Future of Luxury Travel study, which surveys 1,500 affluent U.S. travelers in the top 1, 5 and 10 percent based on household income and net worth.

*Luxury FirstLook 2020 was produced by Luxury Daily, with venue sponsor UBS*

Convenience is key

One of the resounding themes in travel today is convenience. This is having an impact on a number of trends in the hospitality space.

Between 2011 and 2016, leisure travel to cities grew 98 percent, and today about a quarter of all leisure trips feature metropolitan destinations. Resonance attributes this to the variety available to travelers in a city, where they can find culture and outdoor activities. Cities have also grown more popular as a destination than beaches or cruises, leading

Resonance to christen them the "new resort." As a result, hospitality brands that were usually only seen in resort locales, such as Six Senses, are now springing up in cities.

City travel is also tied into the desire for localized experiences, as travelers want to take part in community events such as music, food or art festivals.



*Music festivals such as Coachella draw travelers*

Localism has an impact on how consumers shop when they are away from home, with 86 percent wanting to buy from stores that feature locally made goods.

Also convenient are all-inclusive properties, which grew 5 percentage points in popularity from 2016 to 2020. Hospitality group Marriott International is launching all-inclusive destinations, including a forthcoming Ritz-Carlton resort, as consumer interest in these offerings grows ([see story](#)).

Cruise travel is also on the rise, with interest in sailing up 12 percentage points from 2016.

Ms. Carr noted that while private jets were all the rage a few years ago, today it is sea travel that is seeing an uptick in offerings. For instance, Ritz-Carlton is launching branded yachts, taking its hospitality to the water ([see story](#)).

Aside from convenience, luxury travel lodging is changing to fit the variety of guests' needs. About a quarter of affluent travelers saying that they prefer short-term rentals, up from just 11 percent four years ago.

A demand for alternatives has grown upscale home sharing, from dedicated companies such as OneFineStay to traditional hospitality such as Marriott.



*Homes & Villas property in Anguilla. Image courtesy of Marriott International*

"We think that there's actually going to be no firm borders between different categories of hospitality," Ms. Carr said. "Hotels are not going to be able to survive just by being hotels, there's too much interest in other things."

Leisure lifestyles

More than before, affluent individuals are choosing to travel alone. Today, more than two-thirds are considering traveling by themselves.

Resonance identified three key affluent traveler profiles.

One growing segment are "all-in enthusiasts" who are interested in doing everything. These frequent travelers journey to beaches and mountains, taking in a wide range of activities.

Also on the rise are sophisticated explorers, who are more targeted with their travel. While traveling fewer times in a year, these individuals tend to take trips to more far-flung locales.

Finally, active adventurers are interested in sports and fitness. This desire for activity in the great outdoors leads them to often travel long distances.



*Black Tomato's Get Lost drops clients in remote locales. Image courtesy of Black Tomato*

While active adventurers are the third most popular psychographic profile, the number of consumers who identify with this profile has contracted since 2016 by 12 percentage points.

In general, consumers are increasingly wanting to venture to less explored territory. Since 2016, the percent who show interest in off-the-beaten-path destinations has grown from 14 percent to 24 percent.

Consumers today are also keener to check items off their bucket lists.

Each traveler has his or her own idea of what constitutes a luxury experience, requiring hospitality brands and travel advisors to get to the heart of their personal desires to truly deliver customized indulgence.

During a panel at The New York Times Travel Show on Jan. 24, speakers discussed how travelers' desires have switched from experiential pursuits to transformational journeys. Luxury travel is now more often about activities rather than laid-back luxury, as consumers look for ways to immerse themselves in local culture ([see story](#)).

Wellness is also a growing part of travel, particularly among those ages 18 to 34, 79 percent of whom show an interest in activities such as spas, yoga and meditation.

"You've got this opportunity for wellness in a new generation that's conscious of balance and self-care and burnout," Ms. Carr said. "And they watched their boomer parents drive themselves crazy with work.

"They're bombarded with data and information, and disconnecting is now kind of the new luxury," she said.

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