

TRAVEL AND HOSPITALITY

Affluent millennials most likely to splurge on travel

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Image credit: Marriott International

By SARAH RAMIREZ

More than one-third of high-income U.S. consumers have already booked leisure travel for the year, including 32 percent of high-income millennials.

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According to a joint study from Accenture and travel platform Tripadvisor, 34 percent of high-income U.S. travelers those who earn \$100,000 or more have already booked a trip for 2021. A quarter of high-income consumers are also considering booking international travel, a positive indicator for the luxury hospitality industry.

"Throughout this pandemic our research and insights have always shown us consumers' resilience and wanderlust to travel," said Christine Maguire, general manager of global media business at Tripadvisor. "In this latest joint report, it's fantastic to see U.S. traveler confidence returning, especially to destinations further afield."

The "**Future of Travel**" study is based on a survey of 1,000 U.S. consumers, evenly distributed across Gen Z, Gen X, millennial and boomer age groups.

Jetsetting

Travelers are ready to get away from home, with the majority of respondents looking forward to taking longer trips farther away from home than the staycations many turned to in 2020.

Seventy percent of respondents said their next trip will be domestic, will only 12 percent will opt for staycations that are within a three-hour drive. About one in five will travel internationally, though the share is greater among affluent consumers.



More consumers are ready to travel internationally. Image credit: Belmond

Additionally, 87 percent of those who have already booked a trip and 77 percent of those who are waiting to book travel plan to get away for at least three days.

Safety remains an important concern among travelers waiting to book, with 28 percent waiting for herd immunity and 22 percent waiting to personally be vaccinated.

Cuts in experiential spending, including travel, in 2020 has allowed some high-income consumers to save more than in previous years.

Thirty-two percent of high-income millennials are planning to increase their travel spending, almost twice as many as the average respondent. Only 40 percent in this demographic identified cost as a leading factor in trip planning, compared to 60 percent overall.



More hotels and destinations are promoting overnight packages for staycations. Image credit: Four Seasons

About one in four high-income millennials, 37 percent, have already booked or are planning to book a luxury vacation valued at more than \$5,000 as their next trip. This rate was higher than other high-earning age groups.

By early March, before vaccinations had become widely available to millennials, 32 percent of affluent millennials had already a trip. Almost half, 48 percent, had also traveled in at least one form in 2020.

Luxury opportunity

While a significant number of affluents have already booked luxury travel, there are still plenty of travelers who have yet to make reservations. Sixty-two percent of consumers who are budgeting at least \$5,000 on travel have not booked trips, and luxury hospitality brands are beginning to ramp up marketing to engage this group.

Regent Seven Seas Cruises is showcasing its heritage and community spirit in a film campaign featuring its team members.

Through "The Heart of What We Do" campaign, the luxury cruise line profiles its own cruise directors, matre'd and others who provide elevated service to Regent's guests. With cruising still largely on hold due to the COVID-19 pandemic, cruise lines have embraced online channels and digital storytelling to engage with travelers ([see story](#)).

A digital strategy will also help Regent reach younger consumers, as 58 percent of those identifying cruises as their choice for their next leisure trip were millennial or Gen Z according to Tripadvisor.

Other brands are playing up images of relaxation, as 45 percent of travelers are prioritizing laidback vacations.

LVMH-owned hospitality group Belmond is celebrating the reopening of its Portofino, Italy property with a vignette capturing the dolce vita.

Belmond's Splendido Mare Hotel is now open after months of anticipation and a renovation meant to revive the property's nautical allure. To mark the occasion, Belmond has released a montage encouraging travelers "Splendid0 Mare Together" ([see story](#)).

"For brands, the opportunity is there to attract the purchasing power of this [high-income] audience now," Tripadvisor's Ms. Maguire said.

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