

TRAVEL INSIGHTS



APRIL 2022

FUTURE TRAVEL

As the world around us continues to change and we head into the second quarter of another year, the travel industry is on the cusp of a renaissance after two years of the pandemic. The next generation of travelers brings a fresh perspective on personalized cravings while innovative travel technology and loyalty programs bring the industry into the future. Aligning with the shifts in culture, travelers will continue to think of the future outcomes of their decisions whether it be through sustainable travel or prioritizing a more holistic sense of wellness. This month's travel insights provide a glimpse into the early signs of travel's future.

1. Next Generation of Travelers
2. Travel Tech
3. New Loyalty Programs
4. Future-Conscious Travelers
5. Reimagined Destinations & DMO's

NEXT GENERATION OF TRAVELERS

The future of travel lies in the hands of the youngest generations. Gen Z is helping lead the return of travel, as many gain inspiration through their beloved social platform, TikTok. Niche tourism, personalization, and flexible payment models are of high value to this group. As Gen Z plans their own trips, it is critical for travel brands to keep a pulse on this audience's preferences to earn affinity for today and greater expenditures in the long run.

27%

27% of Gen Z respondents and **26%** of Millennials reported that having products/ services tailored to their needs always influences their product / service choice -three percentage points higher than the average for all audiences.

- GLOBAL DATA

Niche tourism, travel that focuses on fulfilling the specific and personalized needs of a traveler, is growing rapidly among younger generations. Whether a yoga or wellness retreat, an active adventure tour structured around remote working, or a vacation centered around a destination's gastronomy, Gen Z and Millennials are adopting these travel types.

- GLOBAL DATA

Millennial, Gen Z, and younger cohorts make up more than half of the U.S. population and are among those leading the air travel recovery with younger travelers accounting for 166 million Americans.

- SKIFT

Delta Air Lines introduced its "Plan It" tool which is a buy now pay later function provided by American Express. The tool offers 3 options for travelers to pay for their trip in installments ranging from 3 – 24 months, appealing to younger travelers with tighter budgets.

- SKIFT

200%

Gen Z is seeking out the latest trends on their favorite social media app, TikTok. Travel hack videos are going viral with hashtag #traveltips racking up an overwhelming 731.5 million views and searches for "travel hack flights" up 200% during the last 12 months.

- TRAVEL PULSE



TRAVEL TECH

The pandemic has accelerated travel innovations, with technology being a key aspect of the industry's future. A third of Americans are eager to adopt new travel technology and are looking for more solutions that allow them to plan and book their trips with ease. When they are unable to travel, innovations in the virtual space allow travelers to have a taste of a trip and connect with other cultures around the world.

57%

57% of travelers wish for a single all-inclusive app for their travel planning and booking needs.

– HEADOUT

Japanese airline group ANA Holdings and JP Games launched the Sky Whale digital platform that hosts multiple digital worlds where consumers can travel between and shop in with friends and family, supporting an interactive, cultural travel experience.

– WUNDERMAN THOMPSON

33%

33% of Americans say if a new trip planning technology comes out, they are excited to try it.

– DESTINATION ANALYSTS

50%

Travel booking app, Hopper, has added a tool belt of fintech products—the ability to freeze flight and hotel prices, the power to cancel tickets for any reason, price drop guarantees that automatically credit customers if rates drop—that now represent **50%** of the company's total revenue. Overall, Hopper's monthly revenues are now **375%** higher than its pre-pandemic high point.

– FAST COMPANY

Microsoft Flight Simulator, already compatible with Xbox Series X and S, now offers a TCA Yoke Boeing Edition controller for the ultimate virtual flight experience.

– WUNDERMAN THOMPSON



NEW LOYALTY PROGRAMS

Travelers continue to prioritize ways to maximize their value when taking trips. Many travel brands are evolving their loyalty offerings to meet their audience's needs with a focus on subscriptions, personalization, and better pricing. Refreshed loyalty programs are an investment for travel brands to increase customer acquisitions and generate repeat interactions.

Airlines are offering subscription plans to garner increased loyalty such as JetBlue's All-You-Can-Jet Pass sweepstakes and American's AirPass that offers fixed-rate fares, VIP access and more for \$10,000 per person, per year.

- PYMNTS.COM

In 2022, loyalty programs will play an increasingly important role as travelers make decisions about where to go.

40% of travelers intend to use loyalty points for trips this year.

140% more travelers joined Expedia Rewards in December 2021 vs. December 2019.

- EXPEDIA GROUP TRAVEL RECOVERY TREND REPORT

Delta Air Lines announced new features for its Delta FlyReady dashboard. The software will use SkyMiles profiles and passport information to pre-fill documentation, allow customers to view outbound and inbound requirements immediately after booking, and provide an overhauled user interface to create a more responsive experience.

- TRAVEL PULSE

49% 46%

49% of subscribers say they subscribe to brands directly because they offer better pricing. **46%** subscribe to brands directly for better customer service and for better access to product-specific discounts and coupons.

- PYMNTS.COM



FUTURE-CONSCIOUS TRAVELERS

People are taking into account future consequences when considering lifestyle choices such as traveling. Many are prioritizing trip destinations, transportation routes, and pricing structures that allow them to limit their negative impact on the environment while still enjoying the priceless memories today.

178%

“Sustainable tourism” is up **178%** in global Facebook searches YoY.

- FACEBOOK IQ

16%

The International Transport Forum predicts that CO2 emissions from the sector will increase by 16% by 2050, versus 2015 levels.

79% of global consumers say they are interested in tips and advice from brands on how to live more sustainably.

Google Maps offers eco-friendly routing which allows drivers to see the most fuel-efficient routes rather than just the fastest.

- WUNDERMAN THOMPSON



71%

71% of adult Americans were willing to pay more to lower their carbon footprint while on vacation.

- THEVACATIONER.COM

53%

53% usually make an effort to limit their personal impact on the environment when traveling.

- DESTINATION ANALYSTS

REIMAGINED DESTINATIONS & DMO'S

Looking into the future of the travel industry, travel brands will reimagine their offerings and destinations will expand the stakeholders who are involved in their development. Destination Marketing Organizations will have an expanded set of responsibilities, including partnering with locals for tourism plans.

The Caribbean Tourism Organization recently announced its plans to work with Planeterra to scale up communities' integration into the tourism chain by providing training and support needed for them to begin offering their experiences.

– SKIFT

Destination marketers need to tackle tourism engagement and education among residents as part of their new responsibility.

Less than half of U.S. and Canada residents feel they are consulted when it comes to how tourism is developed and managed.

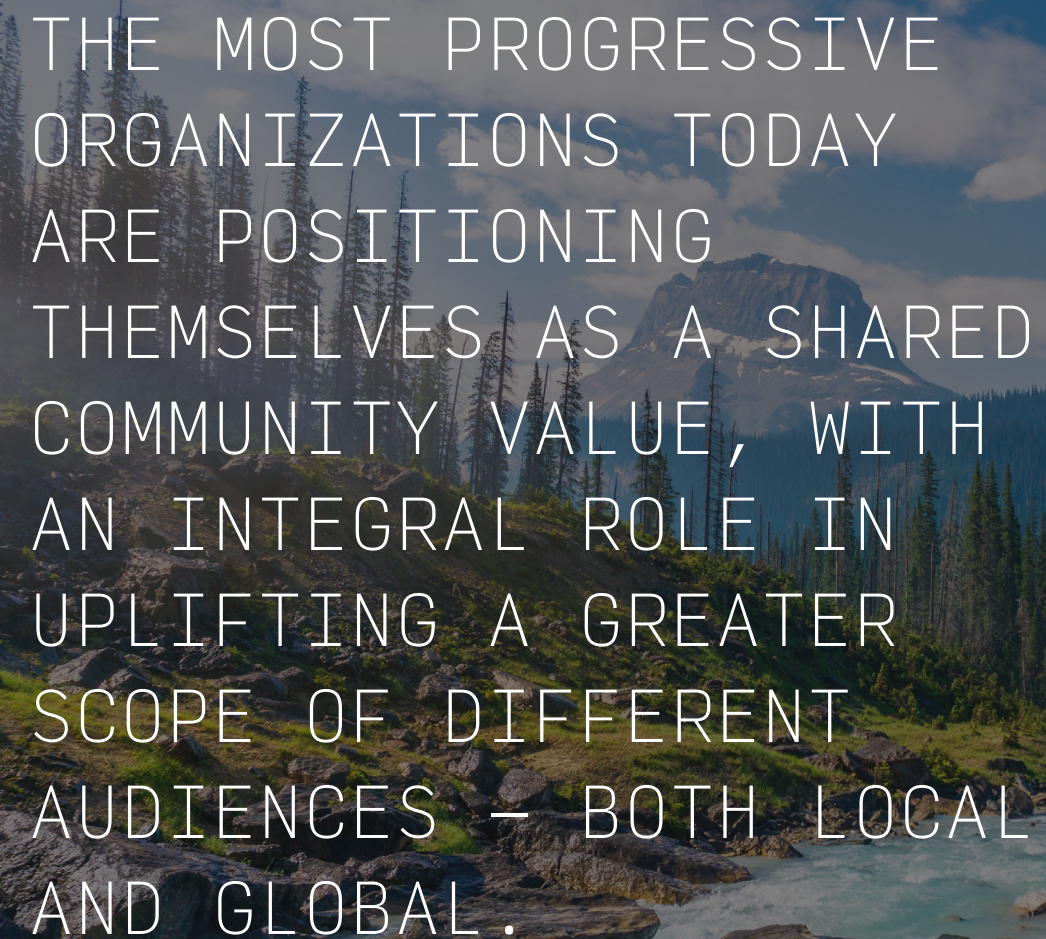
– SKIFT

#1

The #1 industry trend in a global destination study was “Greater industry, community and government alignment is driving destination competitiveness and brand”

“Destinations of all sizes are more competitive in the global visitor economy when government, community and industry priorities are aligned as much as possible.”

– DESTINATIONNEXT FUTURES STUDY



THE MOST PROGRESSIVE
ORGANIZATIONS TODAY
ARE POSITIONING
THEMSELVES AS A SHARED
COMMUNITY VALUE, WITH
AN INTEGRAL ROLE IN
UPLIFTING A GREATER
SCOPE OF DIFFERENT
AUDIENCES – BOTH LOCAL
AND GLOBAL.

– PHOCUSWIRE



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