

# TRAVEL INSIGHTS



MARCH 2023



# CONSUMER MINDSETS & TRAVEL

One quarter into 2023, current consumer mindsets represent a unique blend of trepidation and optimism. These broad-based states of mind have parallels with trends in the travel industry and are guiding trip behaviors. The need for intentionality in spending, tension between local and global connections, and a sense of overwhelm are outputs of the current economic and societal realities, contributing to a prioritization of travel despite challenges. Meanwhile, a renewed desire to live life to its fullest and embrace bold self-expression are energizing people to pursue unforgettable experiences.

1. Intentional Spending
2. Local Global Tensions
3. Desire for Full Living
4. Overwhelmed & Seeking Simplicity
5. Expressionism Enhanced



# INTENTIONAL SPENDING

As consumers continue to grapple with inflation and the economic outlook, they are being more intentional about how they spend their discretionary income. Travel has shown resilience as a priority expenditure for Americans who are willing to shuffle budgets to protect their vacation experiences.

## 60%70%

About half of Americans feel good about their financial state, while **60%** of leisure travelers and nearly **70%** of business travelers do.

– U.S. TRAVEL ASSOCIATION

## 23%18%

However, **23%** of Americans have delayed a big purchase / vacation due to their financial situation, and **18%** have spent less on a big purchase/ vacation than planned.

– U.S. TRAVEL ASSOCIATION

## 56%

When asked about their income spending priorities for the next three months, **56%** of respondents considered travel spending at least somewhat high of a priority.

– DESTINATION ANALYSTS

## 95%

**95%** of travel respondents would decrease spend in other categories to save for their next vacation.

– TRIPADVISOR

Actions to Reduce Travel Spending Due to Inflation

- Traveling during the off-season (**23%**)
- Changing desired destination (**21%**)
- Staying in less luxurious accommodations (**19%**)
- Taking a road trip instead of flying (**15%**)
- Taking a shorter trip (**14%**)

– FORBES

“WE MAY SEE FEWER, SHORTER TRIPS... THE WEEKEND GETAWAY IS GOING TO BE REALLY INTERESTING. BUT ULTIMATELY, TRAVELERS ARE PROTECTING THE DISCRETIONARY SPEND IN TRAVEL AT THE EXPENSE OF OTHER DISCRETIONARY CATEGORIES.”

– Matt Goldberg, TripAdvisor CEO

– THE WALL STREET JOURNAL



# LOCAL GLOBAL TENSIONS

With the discussion of globalization's fall and people turning to local areas of comfort, there is a perceived tension between the cravings travelers have for both local and global connections. People value supporting their own local communities, but also still seek international experiences where "localism" means celebrating and supporting the wellbeing of the local cultures in which they visit. Regardless of geography, destinations and travel brands can gain from increased collaboration with and inspiration from the communities surrounding them.

## 90% vs 32%

There is a trust gap of 10 points between domestic trust in companies within the U.S. and foreign trust in U.S. companies, this trust gap is up to 58 points in China where companies have **90%** domestic trust but only **32%** foreign trust.

- EDELMAN

'Local' increasingly means 'beneficial to the local community.'

- MINTEL

## 61%

**61%** of Americans agree "the city, town, or neighborhood that I live in is a big part of my identity."

- KANTAR U.S. MONITOR

People crave both local flavors of their home and of international destinations, often inspiring future travels. Try the World is a curated subscription box that includes samples of food and beverages from new countries each month.

- KANTAR U.S. MONITOR

## 34%

Over a third (**34%**) of U.S. respondents are likely or very likely to travel abroad this year.

- DESTINATION ANALYSTS

## 6 IN 10

Although many talk of de-globalization, at least six in ten people across the world believe that globalization is good for their market (**66%**) and for them personally (**62%**). Over the last decade, this figure has been gently rising – even as geopolitical tensions have worsened.

- IPSOS



# DESIRE FOR FULL LIVING

Each new year since the start of the pandemic has brought new hope for living fully and making up lost time. Americans of all ages, but especially younger generations, are craving meaningful experiences that make them feel alive. Travelers are seeking some of the most loved vacation activities that provide anything from excitement to awe or intrigue and are sure to leave lasting memories. Destination brands can act like a friend who encourages others to go outside of their routine and pursue fulfilling travel experiences.

## 64%

**64%** of U.S. Gen Z teens feel they have lost two years of their lives because of the COVID-19 pandemic.

– MINTEL

Experiences continue to be a key part of travel. The TripAdvisor Travelers' Choice Top Overall Experiences list included everything from boat cruises in Amsterdam, to riding ATVs on dunes in Dubai, sightseeing in Hawaii, hot air balloon rides in Egypt, Little Havana food & walking tour in Miami, and a Vespa side car tour of Rome.

– TRIPADVISOR

## 47%

Nearly half of respondents (**47%**) said “living in the moment, carpe diem” was a key driver of travel.

– DESTINATION ANALYSTS



Visit California's recent campaign features phantasmagoric encounters that challenge the traveler to consider if they are dreaming or just in California.

– AD FORUM

## 53%

More than half (**53%**) of Americans are seeking wellness breaks but cite boredom for traditional retreats and want to experience something more exciting in 2023.

– EXPEDIA DATA VIA TRAVEL AGENT CENTRAL



# OVERWHELMED & SEEKING SIMPLICITY

Unrelenting negative headlines, draining daily demands, and consistent streams of content have Americans feeling overwhelmed and longing for ease, simplification, and clarity. Travel has been an escape from the stresses of life. Consequently, unwelcome air travel headaches have raised demands for seamless travel experiences that facilitate much needed getaways. Tourism brands that can reduce barriers for travelers frame themselves as empathetic supporters.

## 67%

‘Escape the pressures of daily life’ is one of the top drivers for travel with **67%** of respondents citing this, up to approximately **73%** for primary parent generations of millennials and Gen X.

– DESTINATION ANALYSTS

Booking.com’s Superbowl ad highlighted their easy-to-use app as a facilitator of escapes. The spot featured Melissa McCarthy expressing a desire to go “somewhere, anywhere, as long as they have childcare” with whimsical background singers declaring “mama needs a vacation.”

– BOOKING.COM

Top motivators for leisure travel are focused on a convenient experience.

- Increased flight availability and direct flights **31%**
- Travel discounts, incentives and loyalty programs **29%**
- Flexible cancellation policies **26%**
- Improved air travel comfort **25%**
- More seamless and efficient airport experience **15%**
- Improved airport experience past security **9%**

– U.S. TRAVEL ASSOCIATION

Darkness retreats such as those offered at Sky Cave Retreats in Oregon allow people to seek clarity amidst life’s chaos in partially underground rooms devoid of light. While these retreats have been around for years, they have gained attention with NFL QB Aaron Rodgers’ recent experience.

– ESPN



# EXPRESSIONISM ENHANCED

In 2023, people are boldly infusing energy and vibrancy into their lives through self-expression. An underlying tone of empowerment is fueling people's optimism and encouraging them to find experiences that represent and celebrate their unique interests. The travel industry's broadening offerings and destinations have an opportunity to play up their niche character and have some fun meeting travelers' dynamic desires.

Viva Magenta, Pantone Color of the Year 2023, is a bold, energetic hue that the company describes as "powerful and empowering... a new animated red that revels in pure joy, encouraging experimentation and self-expression without restraint."

- PANTONE

Long used as a travel inspiration tool, Pinterest has created a new app, Shuffles, described as "the world's best tool for creative expression, powered by Pinterest's massive visual library." The app allows for creation of mood boards and collages for both self-expression and collaboration.

- PINTEREST

## 44%

44% of U.S. members of Gen Z agree that finding ways to celebrate themselves has become more important to them now than before the COVID-19 pandemic.

- MINTEL

## \$10M

By summer 2023, travelers will be able stay in one of the new accommodations developed through Airbnb's **\$10 million** OMG! Fund with rentals such as a giant flowerpot in Idaho, a cheese wedge-shaped cabin in Wisconsin, or a Viking Ship in Minnesota.

- AIRBNB

"BRANDS ARE RECOGNIZING A GROWING NEED FOR PEOPLE TO CELEBRATE THEIR INDIVIDUALITY AND ARE RESPONDING BY OFFERING NEW OPPORTUNITIES FOR DISCOVERY AND SELF-EXPRESSION."

- MINTEL





If you found these insights valuable, or would like to discuss them further, we'd welcome the opportunity to speak with you. Feel free to reach out to [victoria.simmons@bvk.com](mailto:victoria.simmons@bvk.com)

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