Destination Analysts'

The State of the American Traveler™

TRAVELER SEGMENTS EDITION

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Destination Analysts

Traveler Segments Edition

Market segmentation is one of the most powerful techniques in the travel marketer's playbook. With the worldwide traveler population rapidly growing and destination preferences evolving rapidly, it's critical for travel marketers to keep a keen eye on the types of travelers they attract and those they can potentially bring to their destination. This edition of The State of the American Traveler™ examines several traveler segments, including continuing the work we began last year on Generation Z. In this report we present descriptive data to illustrate how these segments act, think and plan their leisure travels. For each segment, we present several key data points in which the segments differ markedly from their counterpoints.

In this edition we look at Generation Z, Generation X Family Travelers, Visitor Information Center Users, Peer-to-Peer Lodging Users and so-called Bleisure Travelers (business-leisure travelers). Please enjoy. As always, if you have questions or ideas for future survey topics, we welcome you to message us: info@destinationanalysts. com or @DA_Research.

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Methodology

THE STATE OF THE AMERICAN TRAVELER SURVEY is conducted quarterly by Destination Analysts, Inc., a San Francisco-based tourism industry research company. The survey is conducted online amongst a nationally representative sample of adult Americans. From June 25 and to July 6th, 2019, surveys were collected from a group of respondents who were then screened by their leisure travel behavior. Only those respondents who had traveled at least once in the past 12 months for purely leisure or personal reasons were interviewed. This travel must have been of at least 50 miles one-way — the standard distance threshold used in the tourism industry to signify that a “trip” has been taken. In total, 2,000 leisure travelers completed the survey. With this sample size, the top line data presented here can be considered to have a reliability of +/- 2.3%. This information is provided “as is” and intended for informational purposes only. It should not be relied upon for operational, marketing, legal, technical, tax, financial or other advice. Destination Analysts is not responsible for your use of the information contained herein (including errors, omissions, inaccuracies or non-timeliness of any kind) or any assumptions or conclusions you might draw from its use.

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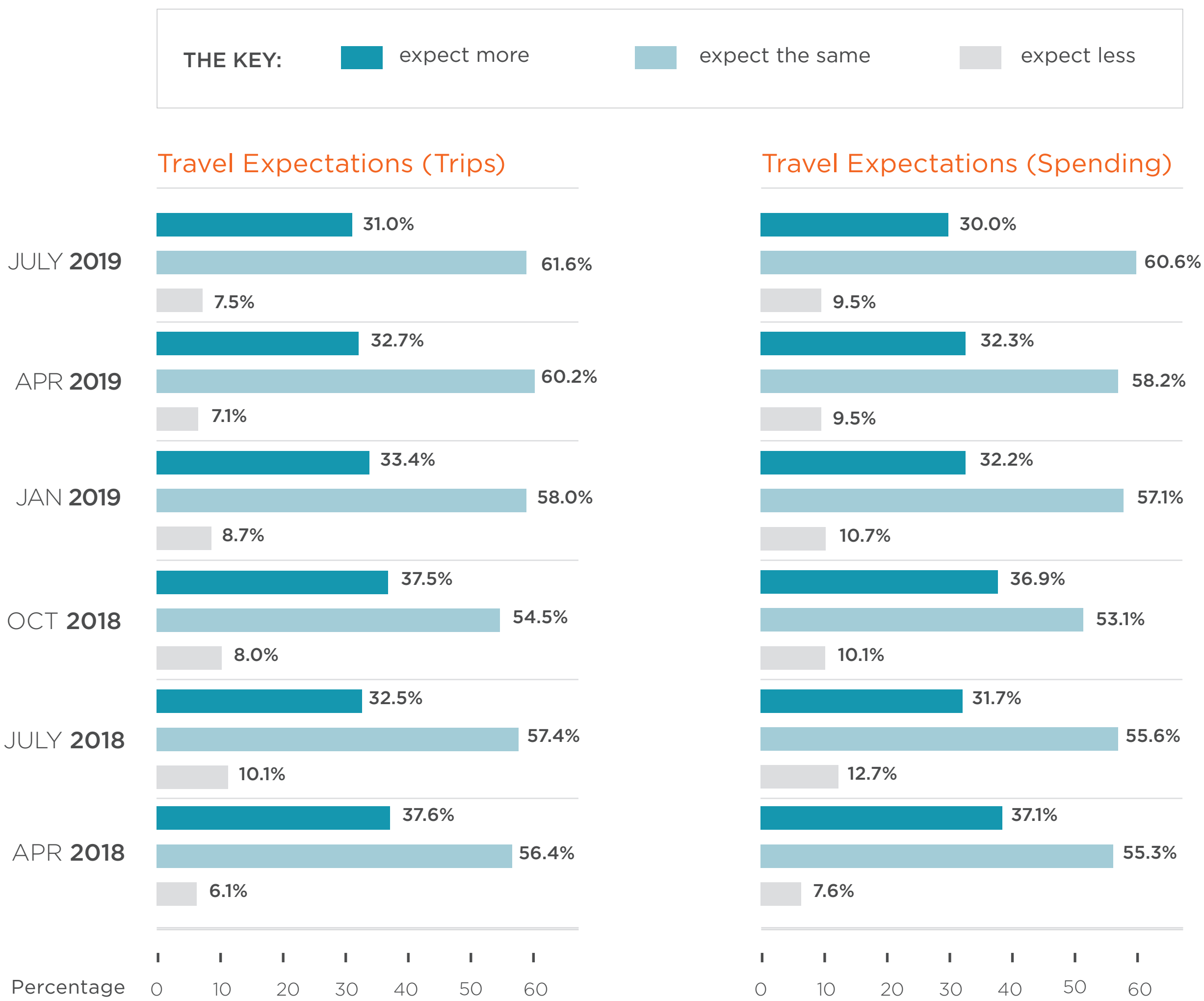
Travel Expectations & Travel Spending Expectations

THIS YEAR, OPTIMISM FOR FUTURE LEISURE TRAVEL has weakened slightly. In our summer wave, under a third of American travelers (31.0%) say they will enjoy more leisure trips in the upcoming year, down from last summer, when 32.5 percent of Americans planned to increase the number of trips they would take in the next 12 months. Throughout the past year, these figures have been suppressed. Over the past four periods, on average 33.6 percent of travelers expected to increase their travels, compared to 36.3 percent in the four previous periods. While a similar story is playing out in expectations for leisure travel spending, this summer the typical traveler expects to budget $3,212 for leisure travel, up 2.5 percent from last summer.



Q: In the next 12 months, do you expect to travel more or less for leisure than you did in the most recent 12 month period?

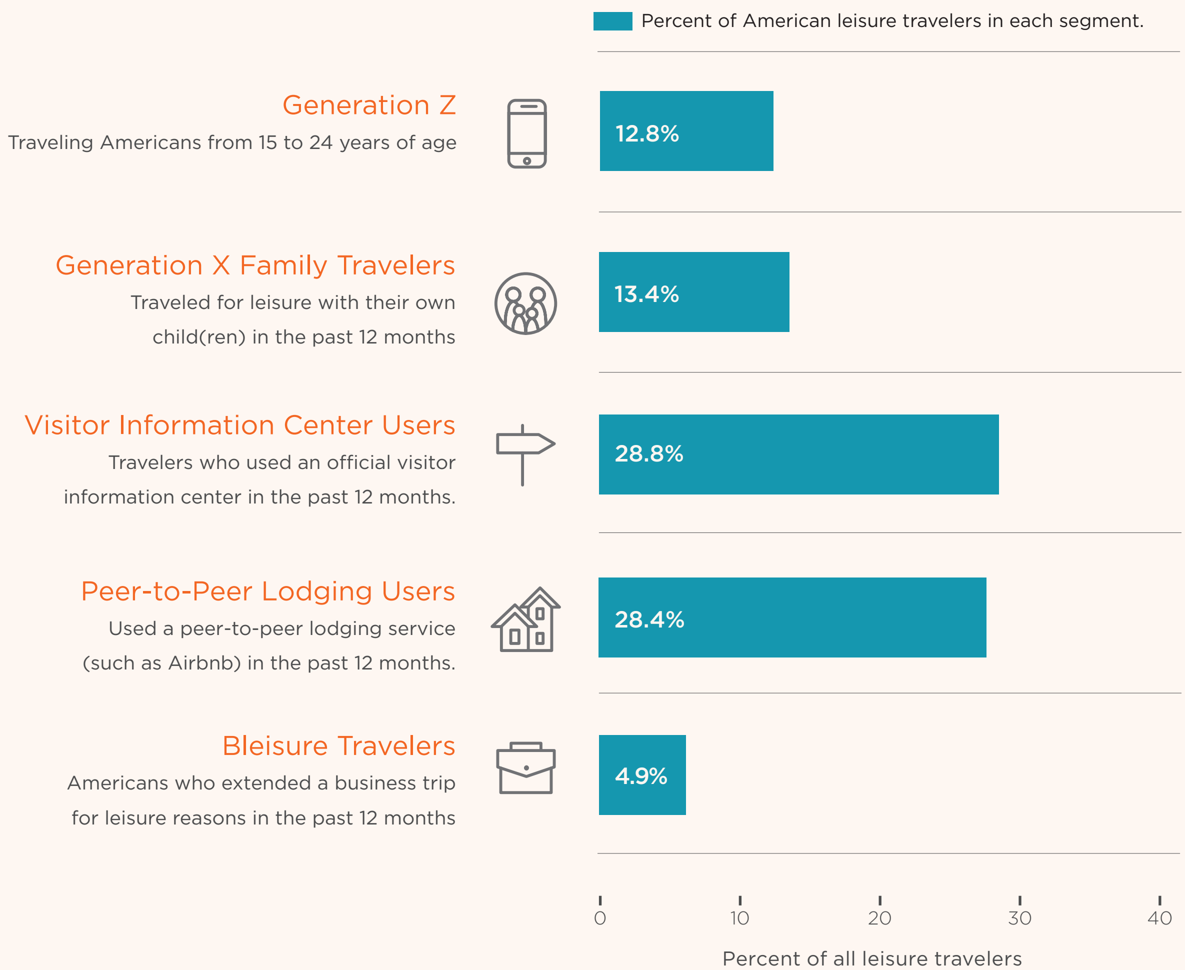
Q: In the next 12 months, do you expect to spend more or less for leisure travel than you did in the most recent 12 month period?

Traveler Segments

In this year's Travel Segments Edition we examine five traveler types: Generation Z, Generation X Family Travelers, Visitor Information Center Users, Peer-to-Peer Lodging Users and so-called Bleisure Travelers (business-leisure travelers).

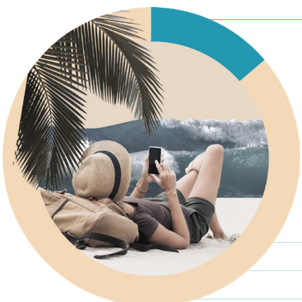
The graph below shows the relative sizes of each. The smallest segment is Bleisure travelers comprising only 4.9 percent of the traveling public. The largest segment (Visitor Information Center Users) comprises nearly a third of leisure travelers.

TRAVELER SEGMENTS



TRAVELER SEGMENTS
Generation Z

Generation Z is the youngest traveling generation, ranging in age from 15 to 24. They have been called the Millennial Generation on steroids. Last year we tested this assumption, comparing the two generations, and learned that the two may not be as different as popular stereotypes suggest. It appears that Gen Z is very similar to the Millennial generation, but with perhaps less developed travel sensibilities. This year we compare them to the Baby Boomer generation, and the differences are striking.



12.8% OF LEISURE TRAVELERS

Generation Z — Travelers 15-24 years old

Baby Boomers — Travelers 55-75 years old

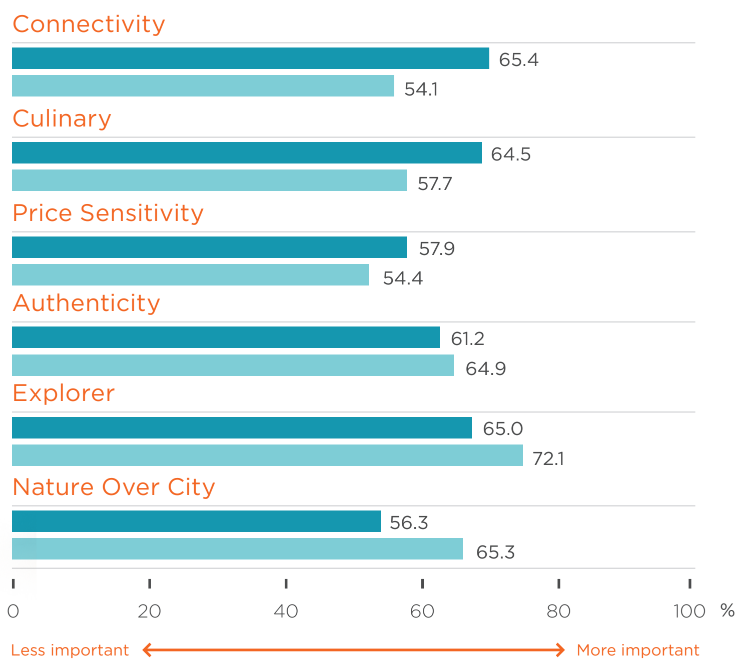
		Generation Z	Baby Boomers
	Average age	21.0	63.8
	Single	81.6%	24.3%
	College graduate	18.4%	48.5%
	% Caucasian	46.3%	90.5%
	Gender (% female)	63.1%	41.7%
	Children in household	7.1%	2.7%
Next 12 Months	Expects to take more trips	46.3%	17.8%
	Expects to spend more on travel	36.5%	21.2%
	Annual leisure travel budget	$4,061	$3,314
Past 12 Months	Leisure trips taken	4.36	3.98
	Road trips taken	3.10	3.03
	Traveled by air	53.9%	39.5%
	Traveled outside the USA	31.3%	14.5%
	Used peer-to-peer lodging	41.8%	15.3%

Generation Z and Baby Boomers are demographically very different.

Generation Z is gung-ho to travel more and they're willing to pay for travel experiences.

Psychographic differences

Much like their demographics, the two generations are extremely different in terms of their psychographics. When comparing psychographic profiles, Generation Z is more concerned about having connectivity and culinary options. They are also more price sensitive. Baby Boomers are more interested in authenticity in their travel experiences, more interested in exploration and experiencing the great outdoors.



TRAVELER SEGMENTS
Generation X Family Travelers

Last year we looked at the family traveler, but why not focus a bit more tightly? The Generation X family traveler has received a great deal of buzz lately, for good reason. They have diverse travel interests and big travel budgets. They place much more importance on travel in their budget than other Generation X travelers, spend more on travel and have higher average annual household incomes.

13.4% OF LEISURE TRAVELERS

Gen X Family Travelers: Generation X members who traveled with their own children in the past 12 months

Other Gen X Travelers: Generation X members who didn't travel with their own children in the past 12 months

		Gen X Family Travelers	Other Gen X Travelers
	Average age	42.0	47.0
	Children in household	31.8%	23.2%
	College graduate	63.3%	56.5%
	Suburban dwellers	53.2%	49.4%
	Gender (% female)	53.9%	55.7%
Past 12 Months	Leisure trips taken	4.68	3.29
	Traveled by air	62.2%	39.7%
	Traveled outside the USA	30.3%	17.6%
	Road trips taken (# annually)	3.03	2.24
Visited on leisure trip in past 12 months	National Parks	55.4%	18.3%
	State or regional parks	68.5%	29.8%
	Theme or amusement parks	42.3%	21.9%
	Festival or special event	33.7%	12.5%
Leisure travel as a budget priority	Extremely high priority	21.3%	8.9%
	High priority	26.6%	15.3%
	Total	47.9%	24.2%
	Annual leisure travel budget	$4,257	$2,640
	Average income > $80K	46.4%	36.9%

Gen X family travelers are younger and somewhat more likely to be female. Importantly, not all GenXers travel with their kids. 23.2% of other GenX travelers have children in their households.

Gen Xers who travel with kids do it by air and car.

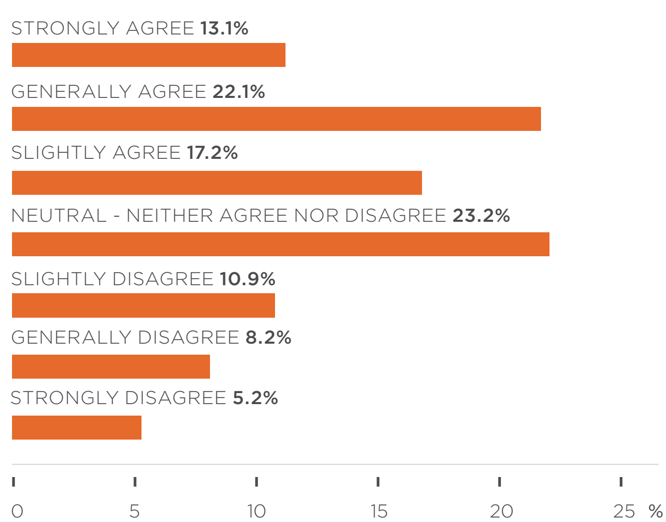
They are much more likely to visit National, State and Regional parks while traveling.

What About Urban Destinations?

As shown above, Generation X family travelers are far more likely than their counterparts to visit National, State and Regional Parks on their leisure trips. Are urban destinations out of the question? Apparently not, as when asked about their general preferences, for large cities versus rural destinations, cities are a highly popular alternative.

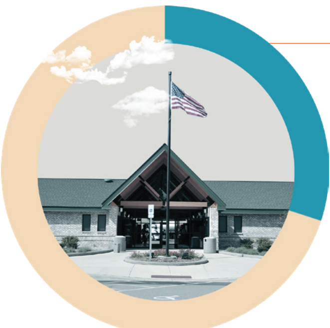
Generation X Family Travelers:

I prefer visiting large cities to rural travel experiences (beach resorts, National or State Parks, smaller towns, scenic byways, etc.)



TRAVELER SEGMENTS
Visitor Information Center Users

Official visitor information centers may seem like an old-school resource, but they are still widely used and important to travelers' decision-making. Their users may also not be what you think. If you've ever worked on the front lines of a visitor center, you'll already know this, but these travelers are sophisticated and commonly well-prepared for their trips. Interestingly, they have a high degree of interest in finding experiences that are unique to the destination they are in.



28.8%
OF LEISURE TRAVELERS

Visitor Information Center Users
Used an official Visitor Information Center in the past 12 months

Other Travelers
Did not use an official Visitor Information Center in the past 12 months

		Visitor Information Center Users	Other Travelers
	Average age	46.2	48.3
	Children in household	19.1%	17.0%
	College graduate	59.7%	49.9%
	Urban dwellers	29.3%	23.3%
	Gender (% male)	51.0%	46.6%
	Annual leisure travel budget	$4,028	$2,882
	Average income > $80K	41.1%	32.3%
Past 12 Months	Leisure trips taken	5.29	3.73
	Traveled by air	58.0%	42.5%
	Traveled outside the USA	32.1%	17.3%
	Traveled with their own children	43.9%	22.1%
	Took a multi-generation trip*	31.8%	19.9%
Travel Planning Resources Used (past 12 months)	User-generated content	69.6%	41.0%
	Print resources	62.3%	26.0%
	DMO website	61.5%	17.3%
	Social media	63.2%	41.7%
	Mobile phone	70.1%	46.6%

• Three or more generations traveling together

Affluent and having annual travel budget nearly 40% greater than other travelers (while they are similarly likely to have children at home), they travel more with their own kids.

Get ready to tell them about the great family activities in your destination. They are far more likely to travel on a multi-generation trip.

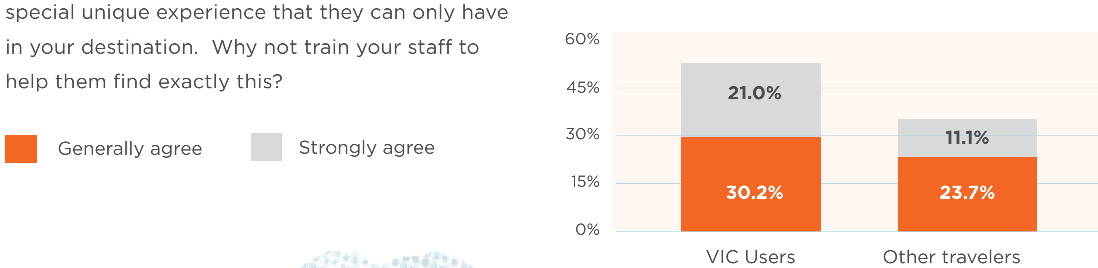
Heavy consumers of travel planning resources, they may walk into your center already having done considerable planning.

One Curious Trait

When travelers come into a visitor information center, they may or may not ask for help. But, you can be sure that many of them are looking for the special unique experience that they can only have in your destination. Why not train your staff to help them find exactly this?

Evaluate the Statement:

I put effort into finding travel experiences that are unique to (can only be found in) my destination



TRAVELER SEGMENTS
Peer-to-Peer Lodging Users

If you think travelers staying in non-traditional lodging options like AirBnB are young budget-conscious travelers, think again. They are young, but more affluent than the norm and as a group are highly educated sophisticated travel planners, who use a wide variety of travel planning resources.

28.4% OF LEISURE TRAVELERS

Peer-to-Peer Lodging Travelers	Other Travelers
Leisure travelers who stayed in peer-to-peer lodging in the past 12 months	Leisure travelers who did not stay in peer-to-peer lodging in past 12 months

		Peer-to-Peer Lodging Travelers	Other Travelers
	Average age	38.0	51.0
	Annual leisure travel budget	$4,443	$2,725
	Average income > $80K	46.7%	30.2%
	Single	34.0%	30.5%
	College graduate	61.9%	49.1%
	Urban dwellers	39.2%	19.5%
	Gender (% male)	49.2%	47.3%
	Children in household	17.1%	17.8%
Next 12 Months	Expects to take more trips	47.1%	24.6%
	Expects to spend more on travel	42.5%	25.0%
	Plans to use peer-to-peer lodging	60.5%	18.8%
Past 12 Months	Leisure trips taken	5.08	3.83
	Traveled by air	79.5%	34.1%
	Traveled outside the USA	39.7%	14.4%
Travel Planning Resources Used (past 12 months)	User-generated content	47.1%	24.6%
	Print resources	42.5%	25.0%
	DMO website	47.1%	24.6%
	Social media	42.5%	25.0%

Young and affluent, this big spending segment is well-educated and more likely to be urban residents.

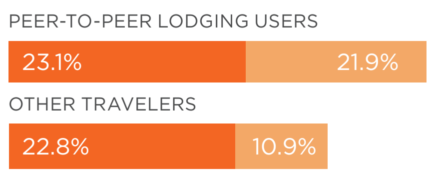
They take more trips, are highly-optimistic about their future travels, with many planning to opt out of traditional lodging options.

Travelers with an Adventurous Mindset?

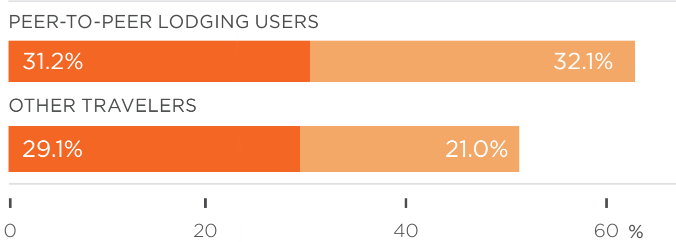
Travelers who use peer-to-peer lodging appear to be an adventurous group. When asked to rate the importance of getting off the beaten path and visiting new places, they are far more likely than other travelers to indicate these are important to them.

Important | Extremely Important

Getting off the beaten path or exploring hidden gems



Visiting places I have never been to before



TRAVELER SEGMENTS
Bleisure Travelers

If your destination serves business travelers, a segment to consider might be so-called bleisure travelers, or persons who extend a business trip to accommodate leisure activities. This segment, while small in size, has all the measurables of a potentially highly-lucrative market.

4.9% OF LEISURE TRAVELERS

Bleisure Travelers: Leisure travelers who extended a business trip to accomodate leisure activities in the past 12 months

Other Travelers: Leisure travelers who did not extend a business trip to accomodate leisure activities in the past 12 months

		Bleisure Travelers	Other Travelers
	Average age	39.0	48.1
	Single	39.2%	31.1%
	College graduate	77.3%	51.5%
	% Caucasian	72.2%	80.2%
Next 12 Months	Expects to take more trips	56.7%	29.7%
	Expects to spend more on travel	49.5%	29.0%
	Annual leisure travel budget	$4,241	$3,160
Priority of Leisure Travel in Budget	Extremely high priority	37.1%	9.5%
	High priority	28.9%	18.2%
Past 12 Months	Leisure trips taken	7.98	3.99
	Traveled by air	84.5%	45.0%
	Traveled outside the USA	66.0%	19.3%
	Used peer-to-peer lodging	67.0%	26.4%
Past 12 Months	Very likely	48.5%	13.0%
	Likely	20.6%	15.7%
Travel Planning Resources Used (past 12 months)	User-generated content	83.5%	47.5%
	Print resources	61.9%	28.4%
	DMO website	82.5%	34.1%
	Social media	81.4%	46.2%

Young, highly-educated and ethnically diverse, Bleisure travelers show a distinct demographic profile.

They are also highly enthusiastic about their future leisure travels, and prioritize leisure travel in their budgets.

By far, the most frequent traveling segment studied in this report, they also show a propensity to explore alternative lodging options.

Bleisure travelers are intense travel planners, using many types of resources. Our psychographic profile shows that having well planned trips is important to them.

What motivates Bleisure Travel?

Why specifically did you extend your business trip(s)?