



 PMG

TRAVEL IN 2024

The New Traveler

April 2024



Travelers Seek Unparalleled Experiences

After years of pandemic-era restrictions, the state of travel is undergoing a profound transformation across hospitality, tourism, and transportation, with changes ushered in by evolving consumer demands and industry innovation. Remote and hybrid work arrangements have given “workcations” (where individuals combine days of work with their leisure travel) and “bleisure” travel, which sees travelers blending leisure activities into their business trips, true staying power around the globe. Adoption of contactless service via virtual check-ins, digital keys, and mobile booking arrangements has accelerated to the point of normalization in many parts of the world, while a desire for personalized recommendations and on-site perks, alongside customized services based on individual preferences and loyalty program membership have become the norm, not the exception, across demographics and regions.

Cultural immersion, culinary tourism, and a growing interest in wellness-focused travel are also upending traditional tourism patterns as people seek authentic and immersive experiences that are eco-friendly and infused with local culture.

The New Traveler isn’t new to travel but traveling with new, heightened expectations as they are no longer satisfied with a mere vacation, but actively seeking exceptional service and once-in-a-lifetime experiences as soon as they leave home, regardless of their budget. The New Traveler is an evolved mindset and approach to travel, spurred by the fluctuations and innovations of the past four years. This discerning traveler is tech-savvy and prioritizes a convenient and seamless booking experience, as they’re eager to explore uncharted destinations and forge meaningful connections with the local culture of their destination. The value of travel has never been more enticing, whether it’s to create lasting memories with family or friends, spend quality time in the great outdoors and natural world, find an opportunity for adventure, to enjoy the local culture on a business trip or some combination of the above.

This report explores the dynamic and ever-evolving landscape of the travel industry by leveraging PMG’s latest consumer research, conducted to capture the essence of the New Traveler. We surveyed a total of 1,800 internet users aged 18+ across the U.S., U.K., Germany, China (excluding Hong Kong), and India to better understand the attitudes, behaviors, motivations, and preferences of today’s traveler. Our comprehensive findings offer a deep understanding of the shifting dynamics within the sector across different generations, traveler types, regions, and demographics, empowering travel and hospitality leaders to strategically adapt their approaches and offerings to cater to the expectations of this influential segment.

2023 was a great year for the travel industry, characterized by record demand and bookings across hospitality brands, tourism companies, and transportation services around the globe, with analysts predicting an even better 2024. Already, cruises, international travel, and solar eclipse trips have emerged as some of the most popular spring 2024 booking and destination trends. The AAA reports a nearly 30 percent rise in cruise bookings in March and April compared to last year. In consumer research conducted by American Express, 65 percent of global travelers are more interested in taking a major trip in 2024 than in previous years.

The New Traveler has their sights set on a busy travel schedule in the months ahead, with a significant 61 percent of respondents to PMG’s survey expressing their intention to spend at least slightly more on travel expenditures this year compared to 2023. Wellness and relaxation emerged as the predominant motivators for travel among 50 percent of survey respondents. Meanwhile, Americans are particularly eager to utilize travel as a means to reconnect with friends and family, bridging the gap created by limited interactions in recent years.

Coupled with motivated travelers and new experiences, emerging technologies, and personalized services and innovations, traveling today is the best it’s ever been, giving travel and hospitality brands ample leg room on their journey to tremendous brand growth.

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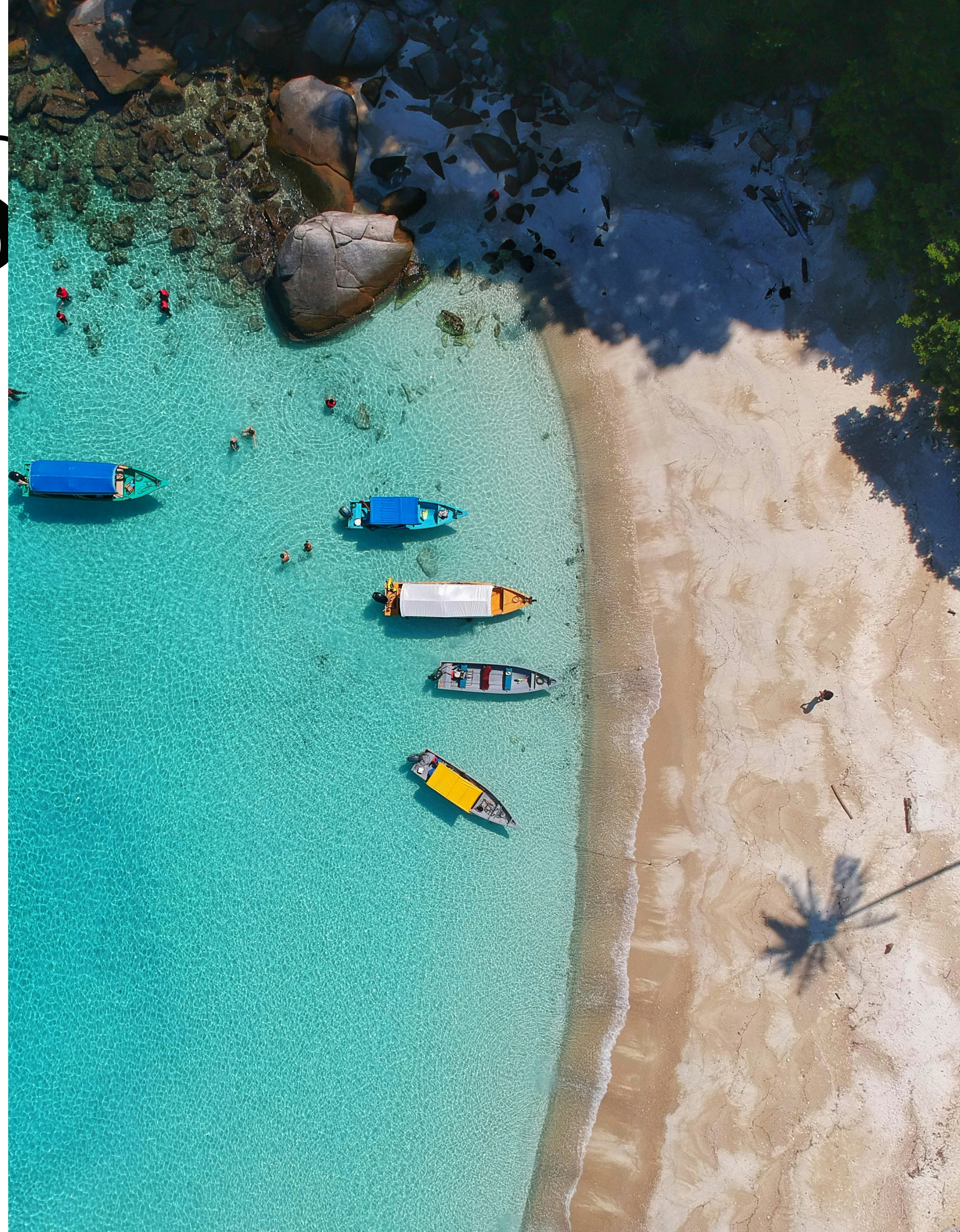
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I. 2024 Travel Motivations

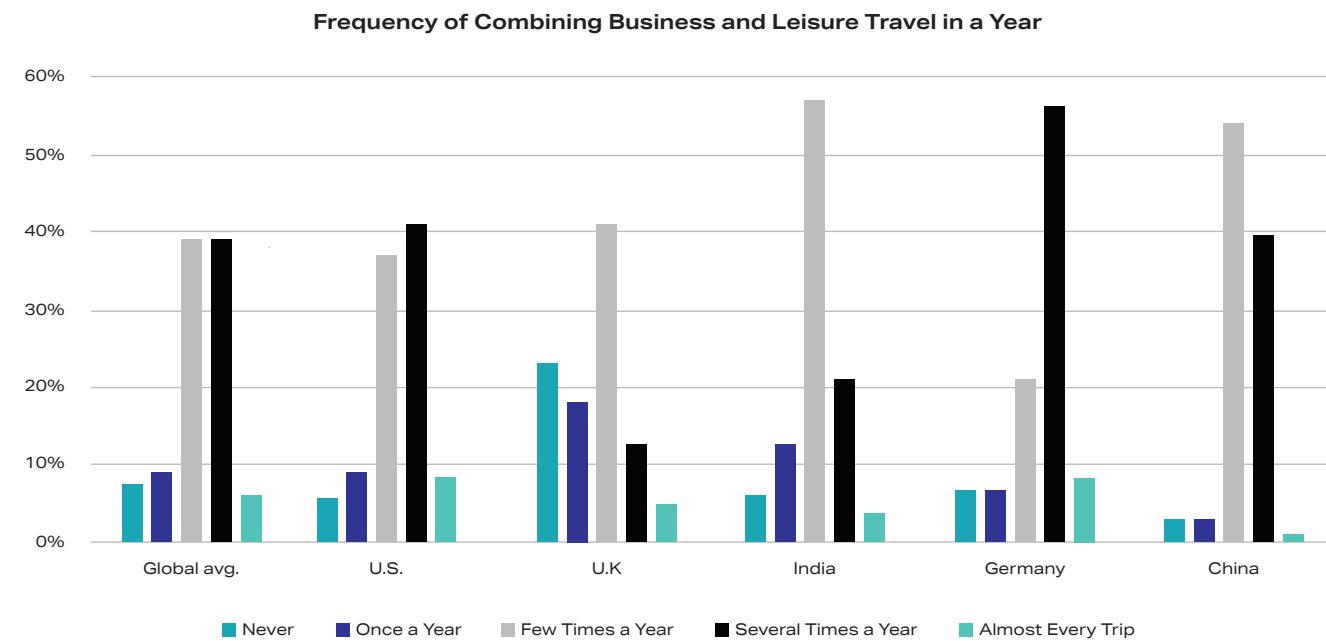


2024 TRAVEL MOTIVATIONS

The Staying Power of Bleisure Travel

Despite reaching peak popularity during the pandemic, bleisure travel has demonstrated remarkable staying power and continues to gain traction even as travel restrictions have eased. While the pandemic initially forced professionals to adapt to remote work and virtual meetings, it also sparked a shift in mindset regarding the integration of work and personal life. As individuals became accustomed to working from home and blending their professional and personal responsibilities, the concept of combining leisure with business travel gained traction. Bleisure travel has become especially popular in regions such as North America and Western Europe, where remote and hybrid work is the new norm. So much so that the global bleisure market is expected to nearly double in size over the next year, according to market research.

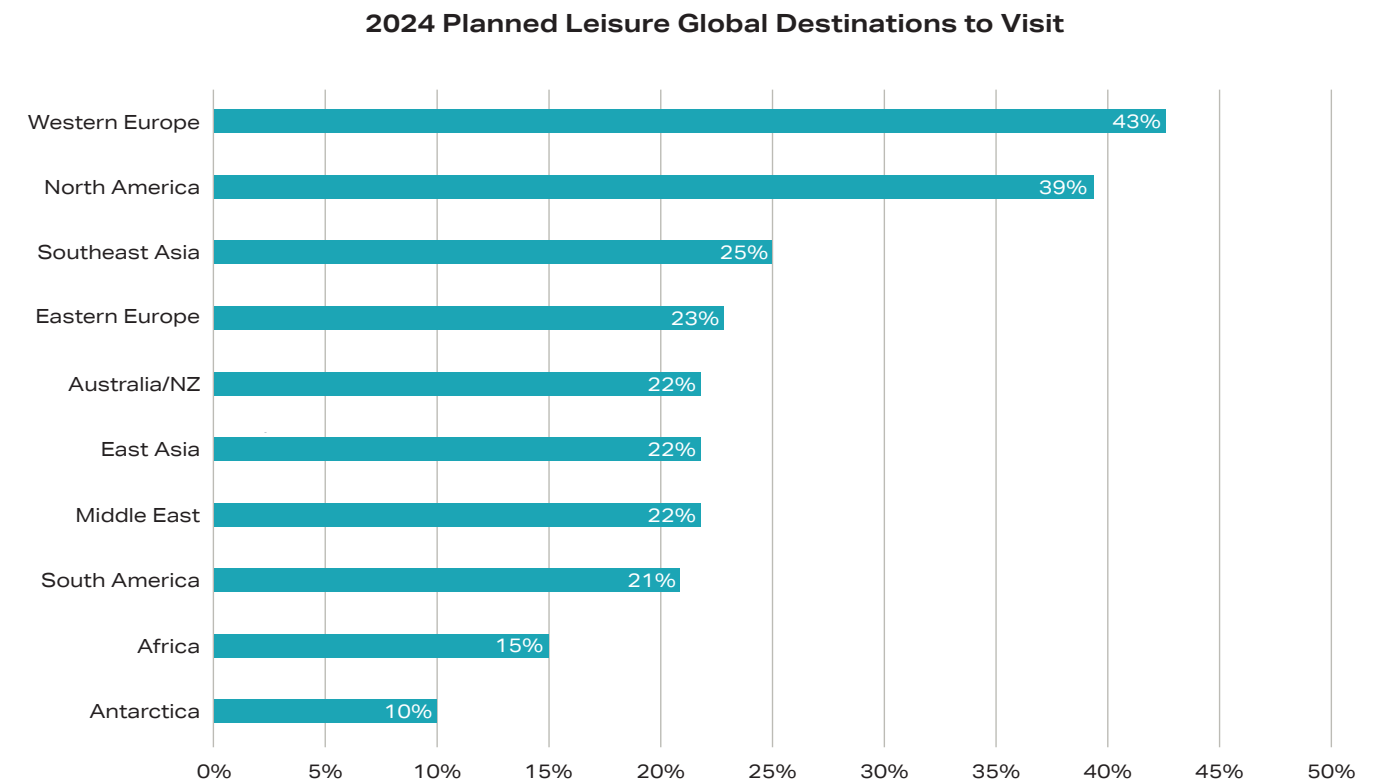
Respondents to PMG's recent consumer survey are readily embracing bleisure travel, with nearly 40 percent expressing their intention to blend business and leisure trips on multiple occasions throughout the year.



Source: PMG's 2024 State of Travel Survey

2024 Destination Trends: Looking Abroad for Rest & Relaxation

The findings of a 2023 GWI poll reveal an intriguing trend: approximately 60 percent of respondents worldwide didn't embark on a vacation in a foreign country over the past 12 months. However, our extensive research suggests that there will be a notable shift in this trend, with a surge in international vacations anticipated. A significant majority of global travelers (52 percent) have expressed their intentions to explore both domestic and foreign destinations in 2024, signaling a renewed enthusiasm for venturing beyond their home borders.

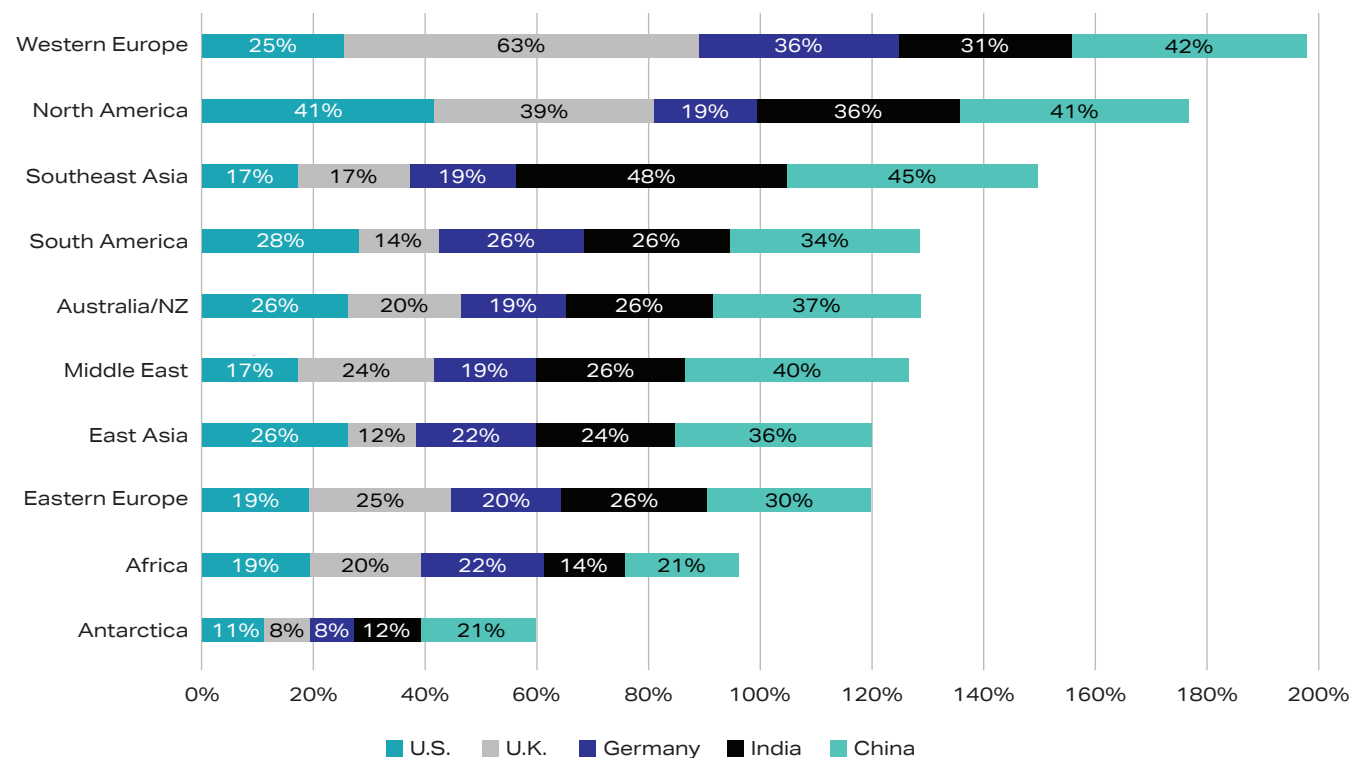


Source: PMG's 2024 State of Travel Survey

Based on our survey findings, Western Europe emerges as the most sought-after global leisure destination in 2024. On an individual country level, the United States, Spain, France, Italy, and Japan take the lead as the most coveted countries to visit. For global business travelers, the Middle East stands out as a popular destination, serving as a central geographic hub for commerce between APAC and Europe.

When it comes to travelers from the United States and the United Kingdom, there is a clear inclination towards regional journeys. Americans, in particular, exhibit a strong preference for local travel, with the majority of respondents favoring domestic-only trips. Many expressed a desire for local road trips, often heading to beach-centric destinations like Florida. On the other hand, Chinese travelers demonstrate a more global outlook in their travel preferences. They show interest in destinations beyond East Asia, including Western Europe, North America, the Middle East, and Southeast Asia.

2024 Planned Leisure Travel Destinations by Region*



Source: PMG's 2024 State of Travel Survey

*Regions are not limited to selecting one destination to visit, values represented are cumulative across all regions.

The months ahead will be a tale of two summers as individuals with higher incomes eagerly anticipate grand adventures and extensive travel in the upcoming season. They're excited to embark on bigger trips, explore exotic destinations, and indulge in luxurious experiences. On the other hand, those with lower household incomes approach the summer with a different perspective. They seek more cost-effective solutions to fulfill their travel aspirations and are determined to make the most of their limited budgets. These resourceful travelers will lean into travel hacks and clever strategies to find affordable accommodations, secure discounted flights, and uncover hidden gems that offer unique experiences without breaking the bank.

American Express reports that nearly 90 percent of travelers plan on using travel hacks, such as traveling during off-peak times or using credit card points to save money in 2024. Despite contrasting financial circumstances, both groups share a common desire to create lasting memories and embrace the joy of travel in their own distinct ways. For travel brands, there's opportunity to impact plans for all traveler types, from upsells on luxury trips to entire itineraries for others.



Luxury Travelers Seek Unique Experiences

Having rebounded to pre-pandemic numbers, luxury travel will also see outsized growth in 2024; with luxury travelers looking to spend more than ever and opting for longer and more exclusive trips. Luxury travelers continue to prioritize personal value in their journeys, emphasizing exclusivity, personalization, and flexibility. They seek unique and immersive experiences individually tailored to their passions and personal motivators, whether that be art, wine, music, wellness, or fostering connections.

High-net-worth and ultra-high-net-worth individuals have heightened expectations beyond traditional luxury amenities. Hyper-personalization, tailored and transformative experiences, and exclusivity hold significant importance for this group of travelers.

The World Is Their Oyster

Luxury travelers are more likely to travel internationally several times per year, as budget doesn't limit their travel aspirations, though they do still frequently travel domestically. While certain locales trend periodically, such as Italy for a cuisine exploration or Japan for cherry blossom season, high-net-worth travelers have more freedom to travel anywhere in the world whenever they desire.

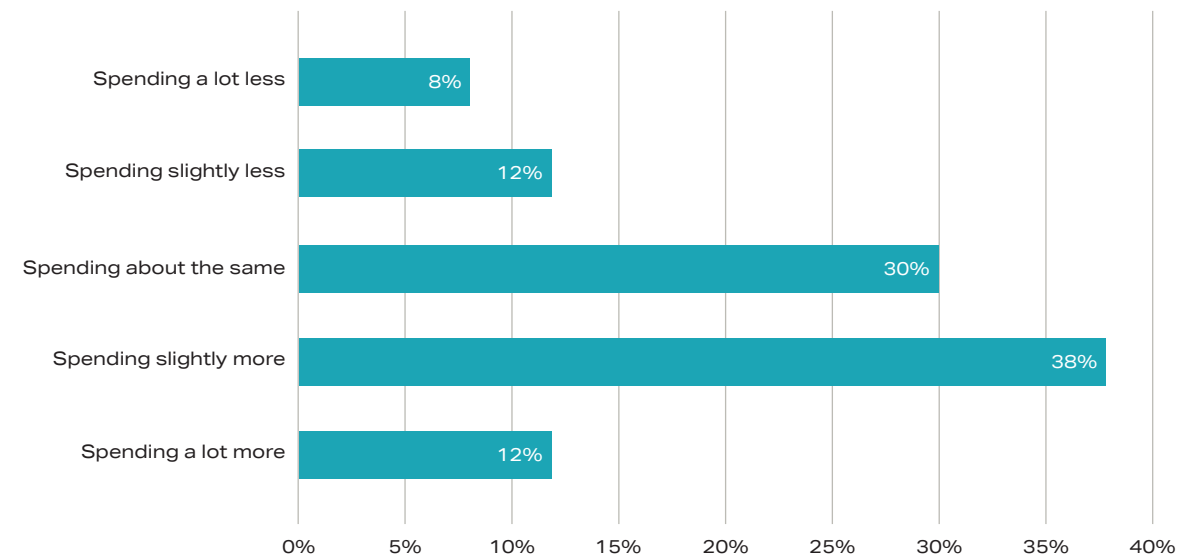
Wellness travel remains popular among high-net-worth individuals, but its growth rate is overshadowed by other emerging trends such as cultural experiences and multi-generational travel. Globally, high-net-worth individuals exhibit a strong interest in niche and elevated pursuits. They're 84 percent more inclined towards theater, 59 percent more likely to be interested in modern art, and 47 percent more likely to appreciate fine art. Furthermore, 74 percent express interest in film and cinema, 73 percent in music, and 55 percent in literature, according to GWI. These passions heavily influence their travel choices, as they seek out opportunities to explore these interests while traveling in non-traditional ways.

In fact, given the level of elevation and customization high-net-worth individuals seek in their travels, they frequently engage travel experts and advisors to help plan their travel to ensure that they are finding the best and most exclusive experiences available, some of which aren't readily available via general research.

Budget Travelers Staying Close to Home

With the era of 'revenge travel' behind us, concerns about economic downturns in recent years may have instilled a sense of caution among budget-conscious travelers. Despite the anticipated improvement in the economy in 2024, travelers of all age groups continue to face the challenges of rising prices, leading them to prioritize value in their travel decisions. In the upcoming year, budget travelers (identified as individuals who make <\$50k annually) will remain focused on maximizing their financial resources. Around 30 percent of them plan to maintain a similar level of travel expenditure in 2024, while 50 percent intend to increase their travel budget compared to 2023.

Budget Travelers' Planned Spending for 2024 Leisure Travel



Source: PMG's 2024 State of Travel Survey

Budget travelers often feel the financial strain of expensive international travel, leading them to prioritize regional and domestic exploration. In 2024, a majority of budget travelers (50 percent) plan to embark on local road trips as a means of discovering their own country and neighboring regions while adhering to a set budget.

Interestingly, compared to the average global respondent, budget travelers exhibit a greater inclination towards spontaneity, particularly budget travelers with more financial flexibility. Approximately 11 percent of budget travel respondents expressed a preference for not planning in advance and embracing spontaneity during their journeys, in contrast to six percent among the global respondent group and three percent among high-earning respondents.

*II.
The
Reimagined
Travel
Journey*



THE REIMAGINED TRAVEL JOURNEY

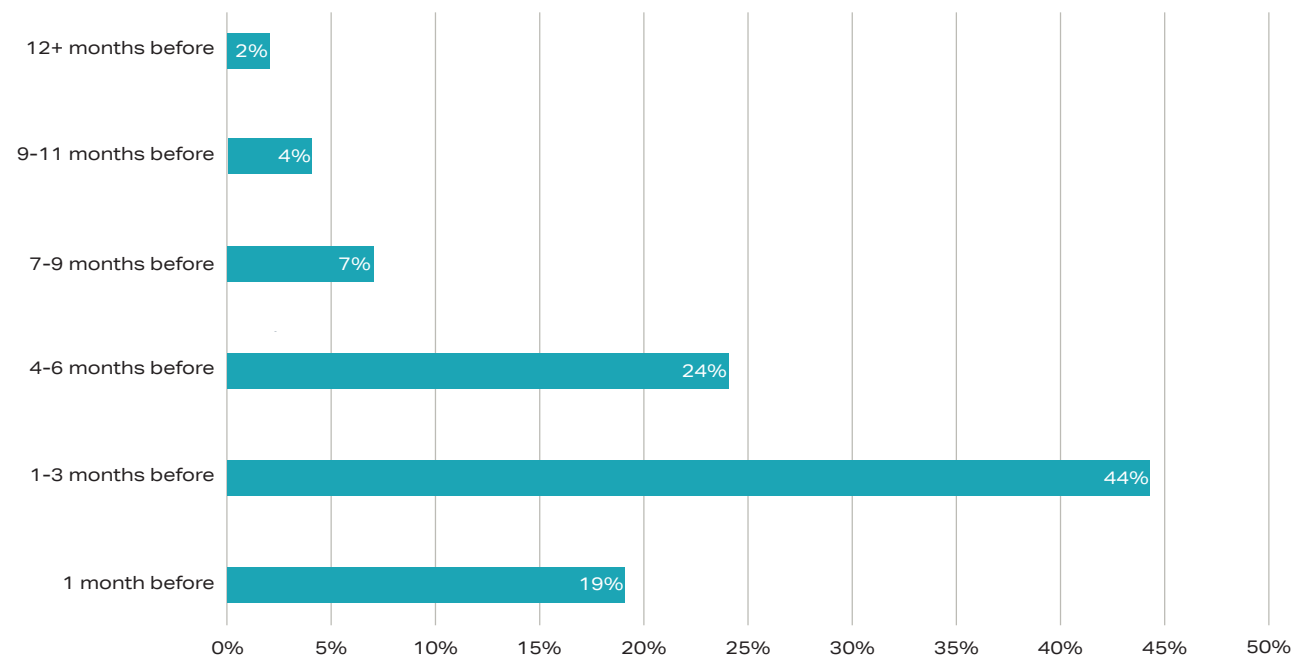
Planning & Inspiration: Personalized Recommendations Drive Decision-Making

In the era of the New Traveler, the traditional approach of meticulously planning every aspect of a journey has given way to a more spontaneous and personalized travel experience. It has become increasingly common for the majority of travelers to forgo planning every detail in advance. Instead, they opt to chart out a few key activities or attractions before embarking on their trip, leaving ample room for exploration and discovery upon reaching their destination.

According to our data, approximately 42 percent of travelers fall into this category, embracing the thrill of uncovering new experiences and hidden gems as they go along. This shift in travel behavior reflects the desire for a more authentic and immersive journey, where personalized recommendations and on-the-ground discoveries play a pivotal role in shaping the travel experience.

By allowing themselves the freedom to be open to new possibilities, the New Traveler embraces the element of surprise and spontaneity. They understand that some of the most memorable moments and unique encounters often arise from unplanned adventures and surprise encounters. This approach not only adds an element of excitement and unpredictability to their travels but also allows them to tap into local culture and immerse themselves in the true essence of their destination.

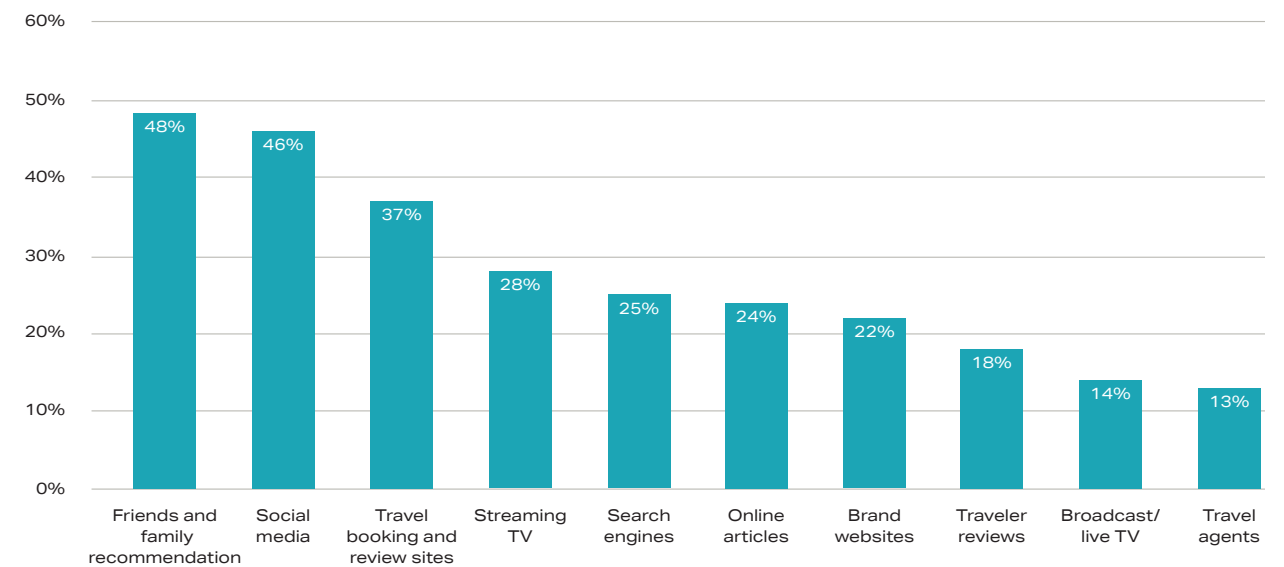
How Far in Advance Global Travelers Are Planning Their Leisure Travel (in Months)



Source: PMG's 2024 State of Travel Survey

In a world where social media permeates every facet of mainstream culture, it comes as no surprise to find that it's one of the most popular sources of travel inspiration, ranking at #2 in our research. However, despite the omnipresence of social media and online platforms, our research reveals that the primary sources of inspiration for accommodations still revolve around the power of personal connections and recommendations from family and friends across the globe—in short, word of mouth and personal recommendations reign supreme. These trusted sources carry immense weight in shaping travelers' decisions, as they provide a sense of authenticity and reliability that social media platforms may sometimes lack. For travel brands, there's immense value in leveraging a robust, full-funnel strategy that utilizes paid, earned, and creator investments to capitalize on these trip planning trends.

Inspiration Source for Leisure Travel Accommodations



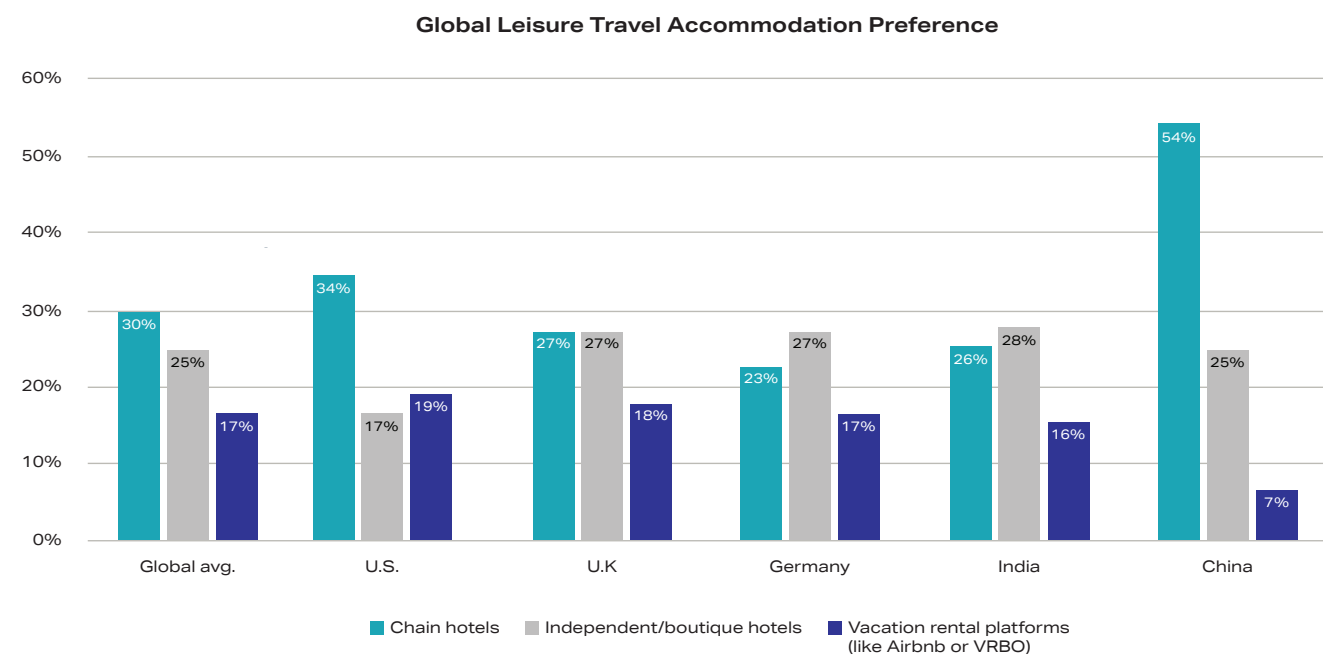
Source: PMG's 2024 State of Travel Survey

Delving deeper into our findings, we discovered that British travelers exhibit the lowest reliance on social media for accommodation suggestions, with only 25 percent of respondents utilizing these platforms for guidance. This suggests that they place a greater emphasis on personal connections and traditional word-of-mouth recommendations when it comes to selecting their accommodations. In contrast, travelers from China and India heavily depend on social media as a valuable resource for ideas and recommendations. A significant 55 percent of those surveyed from these countries rely on social media platforms to gather inspiration and make informed decisions about their accommodations. This highlights the cultural nuances and preferences that shape travelers' reliance on social media, with these regions embracing the digital landscape as a key tool for travel planning.

Where to Stay

According to PMG's 2024 State of Travel Survey, large chain hotels remain the preferred global lodging type, with a preference rate of 30 percent. Close behind, independent/boutique hotels rank as the second most favored type of travel accommodation at 25 percent. Travelers express a preference for these types of hotels primarily due to the ease of booking and the familiarity they offer. Large chain hotels adhere to established standards, providing travelers with a sense of predictability and assurance when they enter their premises.

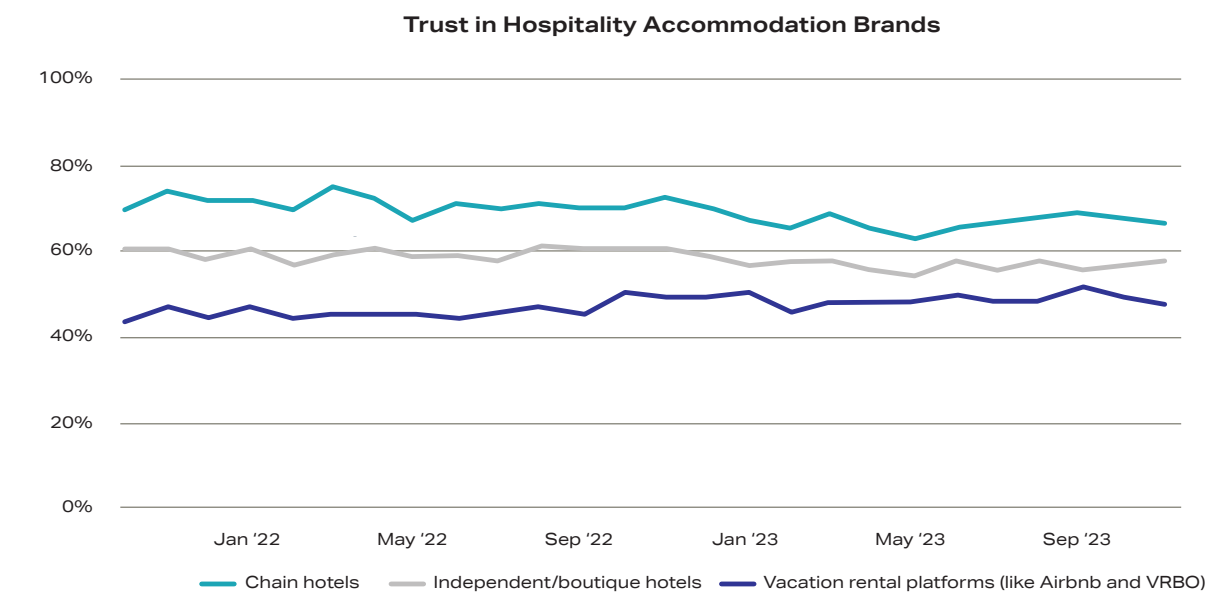
On the other hand, Airbnb and VRBO aren't as popular among global travelers, ranking third with a preference rate of 17 percent. Notably, Chinese travelers exhibit the lowest preference for Airbnb and VRBO accommodations, with only seven percent favoring vacation rentals.



Source: PMG's 2024 State of Travel Survey

Balancing Trust and Experience

Travel brings a sense of the unknown. In a world with so much uncertainty, the New Traveler is put at ease by knowing they can trust the brand experience when leaving home. While trust and reliability are key, independent/boutique hotels offer a fresh perspective and often bolster the hotel experience by drawing inspiration and crafting property experiences rooted in local culture.



Source: Morning Consult

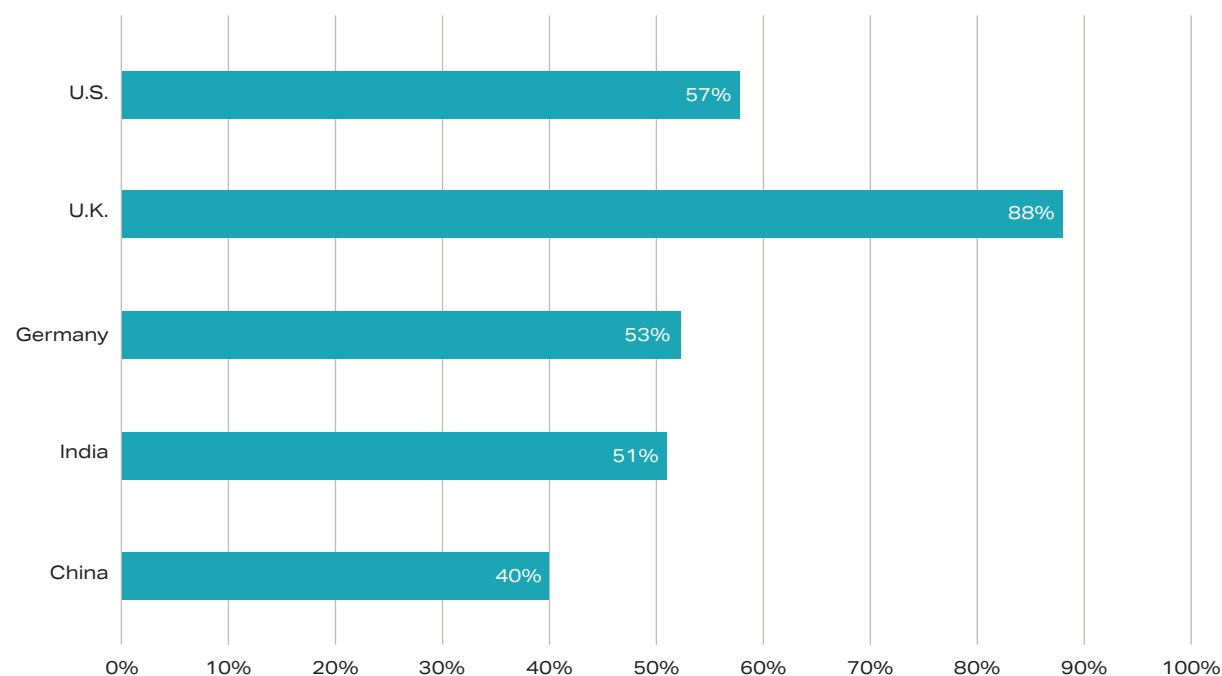
Whether a large chain or a boutique accommodation, brands must balance communicating trust with a unique, curated experience. In travel, reliability doesn't necessarily mean standardization, and brands should continue to communicate how they meet travelers' expectations while bringing a touch of the unexpected. This holds especially true for emerging global destinations, where the reputation and reliability of a well-known brand, coupled with a personalized approach to service and experiences, can provide travel brands a way to win in the space.

How They Get There: Air Transportation Trends

2024 is poised to witness a remarkable surge in global airline travel, with an estimated 4.7 billion passengers expected to take to the skies, according to *The New York Times*. This growth is facilitated by a combination of factors, including easing inflation, declining jet fuel prices, and increased capacity, which have collectively contributed to more reasonable fares being offered to consumers. As a result, air travel has become increasingly accessible and affordable for a wider range of individuals.

In this evolving landscape, low-cost airlines such as Spirit and EasyJet have solidified their position in the market, capitalizing on price pressures and industry shifts. Statista reports that these carriers are projected to experience substantial growth, with their valuation expected to exceed \$250 billion by 2027. Their ability to cater to consumer demand for affordable travel options has further propelled their success.

Basic Economy and Economy As Main Airline Cabin Preference



Source: PMG's 2024 State of Travel Survey

In recent years, the impact of higher airline fares has been particularly pronounced in the United States, where Americans have shown a preference for relying on their personal cars for leisure travel. Recent industry research indicates that more than 60 percent of Americans consider personal vehicles as their preferred mode of transportation, surpassing other regions. This preference can be attributed to the economic implications of rising post-pandemic airfares, prompting individuals to seek alternative means of travel.

Chinese survey respondents demonstrate a different inclination when it comes to airline cabin preferences. Approximately 40 percent of Chinese travelers express a preference for flying business class, highlighting their willingness to invest in a more luxurious and comfortable travel experience. In contrast, respondents from other regions tend to favor basic economy or economy cabins, prioritizing affordability over premium amenities. These shifting dynamics reflect the evolving expectations and priorities of air travelers in the current aviation landscape.

Brand & Marketing Implications

As platforms continue to promote both discovery and messaging across communities, social media now enables word-of-mouth recommendations to be shared on a larger scale. With the rapid expansion of 'creators' and the new platform emphasis on messaging and video, there are more ways than ever for the modern traveler to get inspired and engage with travel recommendations.

Brands looking to attract the modern traveler must adapt to the new ways consumers are engaging with these platforms, across both paid and organic, as more people seek out recommendations from creators and personal communities alike. Building an integrated creator strategy and developing a creative library with a large volume of assets can give brands the freedom and flexibility to engage across social communities. Time is of the essence. Given that travel planning largely begins one to three months before the trip begins, brands should be activating in-market early to capture travel interest before peak seasons and extend to carry through and make the most of fall and winter travel. Additionally, noting that many travelers are leaving room in their agenda for adventures or changes in plans, be ready during peak season to capture engaged travelers.

A scenic view of a Venetian canal, likely the Grand Canal, with several gondolas and historic buildings lining the water. The scene is captured in a soft, slightly dim light, possibly during the "golden hour" of late afternoon or early morning. The buildings are multi-story, with ornate facades and arched windows. The water is calm, reflecting the light from the sky and the buildings. The overall atmosphere is peaceful and historic.

*III.
Culture
Transforms
Travel
Expectations*

CULTURE TRANSFORMS TRAVEL EXPECTATIONS

Generational Travel Trends

The Younger ‘New Traveler’ Looks to Embrace Local Cultures

Every generation has its distinct perspective shaped by its specific needs and aspirations, and this principle extends to their travel preferences. When delving into the various age groups’ attitudes towards travel, it becomes apparent that Millennials and Gen Z will spearhead the surge in travel spending for 2024. These younger generations exhibit a strong inclination towards exploration, seeking immersive experiences, and embracing the concept of bleisure travel more readily than older generations.

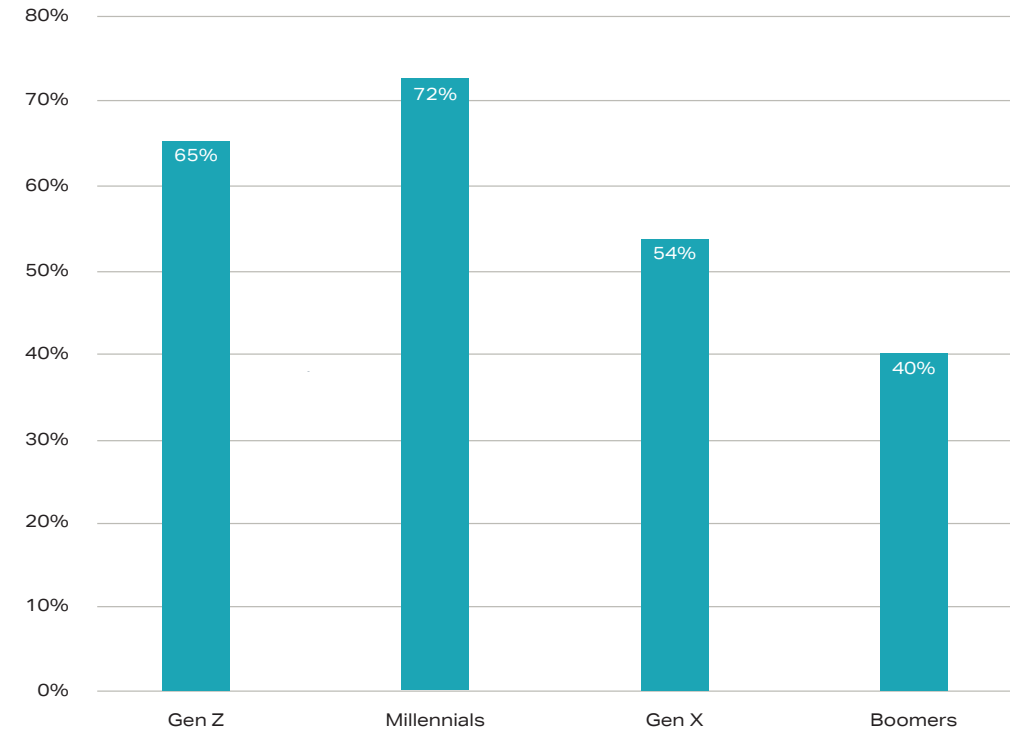
A majority of travelers from these two generations intend to spend more on travel in 2024 compared to 2023, according to PMG’s State of Travel Survey. In contrast, Boomers and Gen X travelers anticipate spending a similar amount to what they did in 2023.

Gen Z & Millennials to Spend More on Leisure Travel in 2024 Compared to 2023

Travel motivations differ depending on individuals’ life stages and desired travel outcomes. When it comes to Gen Z, Millennials, and Gen X, their primary focus is on using travel as a means to unwind and relax. In contrast, as individuals enter later stages of life, such as the Boomer generation, their travel priorities shift towards spending quality time with friends and family. Notably, the youngest generation of travelers, Gen Z, exhibits a strong inclination towards immersing themselves in the local culture of their destinations, with 50 percent of them expressing this as a top motivator. This trend is particularly pronounced among German Gen Z travelers, with an overwhelming 60 percent rating cultural immersion as their number one travel motivator.

Likewise, different generational cohorts demonstrate distinct approaches when it comes to planning their travel. Gen Z and Millennials tend to engage in more extensive pre-trip preparation, with 52 percent preferring to plan out the many details of their journey meticulously. In contrast, Gen X and Boomers take a more relaxed approach, with 49 percent indicating that they only plan a little ahead of time and prefer to make the rest of their travel arrangements upon reaching their destination.

Respondents Planning on Spending More on Leisure Travel in 2024



Source: PMG’s 2024 State of Travel Survey

Brand & Marketing Implications

Coupled with an always-on media planning and message strategy, travel brands can capitalize on travelers’ flexible and unplanned time to upsell amenities both in the short period leading up to a trip and during the on-site experience. Hoteliers also benefit from having upsell opportunities on-site, whether it be offers for adding an extra night or spa treatment, or a partnership with local activities.

Sustainability Becomes a Driving Force for Travel Experiences

The significance of sustainability in travel continues to gain momentum, especially among younger generations who prioritize the environmental impact of their choices. Gen Z and Millennials, in particular, demonstrate a heightened inclination to select or reject a hotel based on its sustainability practices. Our research reveals that more than 60 percent of both age groups consider sustainability to be of utmost importance when making decisions about their travel accommodations. This growing awareness reflects a collective desire to align their travel experiences with their values and contribute to a more sustainable future.

Respondents Selecting 'Very to Extremely Important' for Accommodations Practicing Sustainability

67%
Gen Z

68%
Millennials

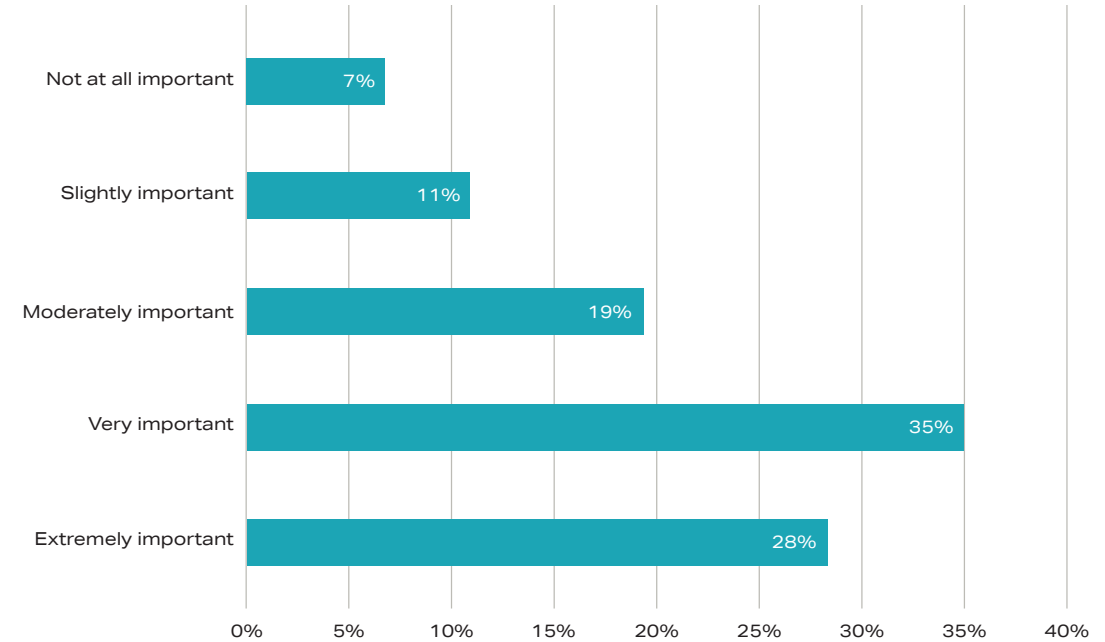
52%
Gen X

Source: PMG's 2024 State of Travel Survey

While high-net-worth individuals may lag behind the general population in prioritizing sustainable travel (47 percent versus 56 percent, as reported by Mintel), the importance of sustainability is steadily rising across all demographics. This trend is further fueled by the travel industry's increased commitment to addressing its environmental impact.

Younger travelers, in particular, place significant value on the integration of sustainability into loyalty programs. A notable 28 percent of Millennials and 37 percent of Gen Z express their willingness to book more travel if their loyalty program offers sustainability-related redemption options. This growing global sense of responsibility is driving the demand for sustainable travel experiences, prompting travel and hospitality brands to enhance their environmental initiatives. As a result, sustainability has emerged as a crucial factor in fostering customer loyalty on a global scale.

Importance of Loyalty Program Benefits Being Eco-Friendly, Green Initiatives



Source: PMG's 2024 State of Travel Survey

It's worth noting that sustainability holds various meanings for different travelers. While some may opt for simple actions like foregoing daily towel service for environmental reasons, others are drawn to more profound and impactful sustainable practices that will deliver value for the local community and culture at their destination. These may include sustainable property designs or exclusive access to culturally immersive local experiences that revolve around preservation of the local environment. Integrating local and sustainable practices into brand storytelling, campaign narratives, and on-site experiences is crucial for showcasing authenticity and embedding these core values into the brand's long-term identity.

Brand & Marketing Implications

Sustainability has evolved from being a mere differentiating factor to becoming a fundamental requirement in the travel industry. As future generations increasingly prioritize sustainable travel, it is essential for brands to understand that younger travelers seek to embrace both local culture and sustainable practices when venturing beyond their homes.



*IV.
Loyalty &
Brand Trust
in Travel*

LOYALTY & BRAND TRUST IN TRAVEL

How Loyalty Programs & Experiences Shape Consumer Behavior

The way consumers approach travel has undergone a transformation, influenced by factors like their economic outlook, personal values, and the widespread adoption of technology. Consequently, travel brands are now faced with the task of meeting travelers wherever they may be. To capture the attention and loyalty of travelers, many brands in the travel industry are placing a renewed emphasis on delivering exceptional experiences and enhanced benefits for repeat guests.

For some travelers, particularly those seeking higher-end luxury experiences, this translates into enabling unique moments that elevate their personal brand and sense of adventure. On the other hand, budget-conscious travelers may gravitate towards brands that prioritize accessibility, offering affordable accommodations and value-oriented amenities that cater to their needs. In this evolving landscape, travel brands must adapt to the diverse expectations of consumers, recognizing that loyalty programs and experiences play a pivotal role in shaping consumer behavior.

84% of travel companies are planning to introduce new travel rewards or benefits in 2024, up from 63% in 2021, according to Arrivia.

Brands employ loyalty programs and elevated experiences as key mechanisms to deliver value and retain high-value consumers. While the concept of value tends to vary based on the individual, it's regarded as one of the most significant drivers of travel decision-making. Our research shows that value for the money outweighs price when choosing accommodations, even for higher-income travelers. This underscores the importance of engaging travelers on a deeper emotional level throughout their journey. By understanding and addressing their unique value preferences, brands can inspire repeat business and ensure long-term loyalty.

The business benefits of strong loyalty programs are also clear. Brands are increasingly relying on compelling member programs to capture first-party data of guests to fuel a strong CRM strategy. Further, hotel loyalty programs can account for a 57 percent increase in room revenue, according to the Center for Hospitality Research at Cornell University.

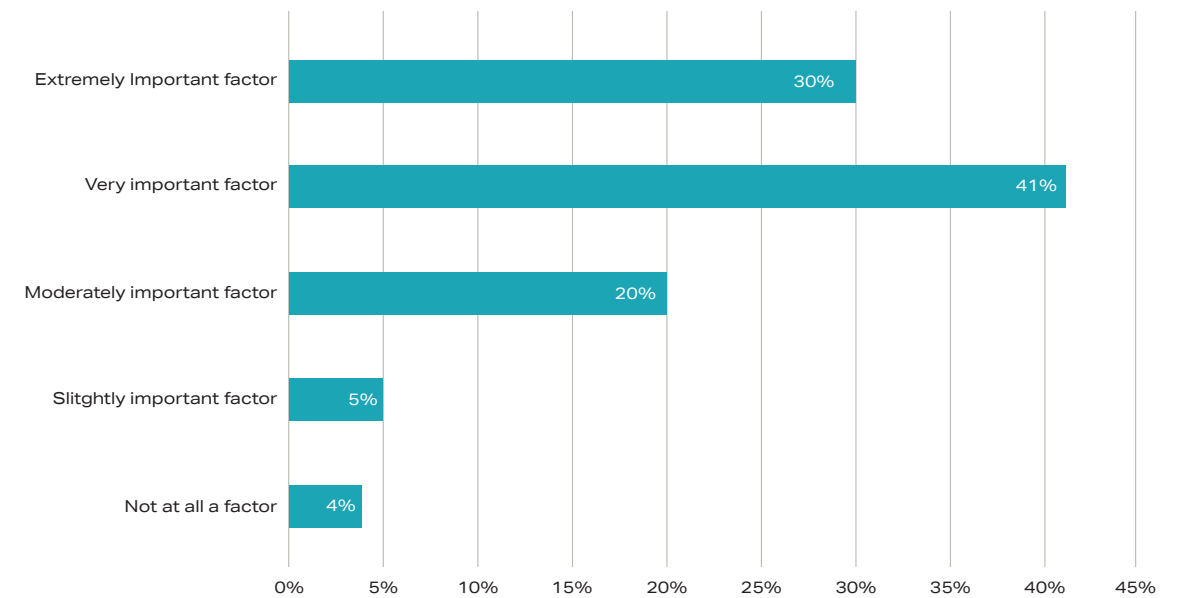
Beyond Points & Status: Building Loyalty with Emotional Connection

In today's travel industry, traditional loyalty program features like points accumulation and tiered status remain crucial for consumers when planning their trips.

58% of Gen Z is reporting they use loyalty programs or memberships *often* or *always* when booking accommodations, compared to half (49.9%) of all respondents of PMG's 2024 State of Travel Survey.

However, there is a growing interest in non-traditional markets such as elevated experiences and non-transactional benefits, expanding the range of factors that influence brand preference. Nevertheless, one consideration stands above all others: the confidence that a brand will consistently deliver positive experiences.

To What Extent Do Travelers Trust in the Brand Influence Their Decisions to Enroll in an Airline/Hotel Loyalty Program



Source: PMG's 2024 State of Travel Survey

According to our research, an impressive 71 percent of travelers consider trust in a brand to be extremely or very important when deciding whether to enroll in an airline or hotel loyalty program. This emphasizes the significance of instilling confidence in consumers at every stage of their travel journey. From safeguarding their data to personalizing their digital and in-person experiences, and ensuring reliable service throughout their stay, every aspect contributes to building trust and fostering loyalty.

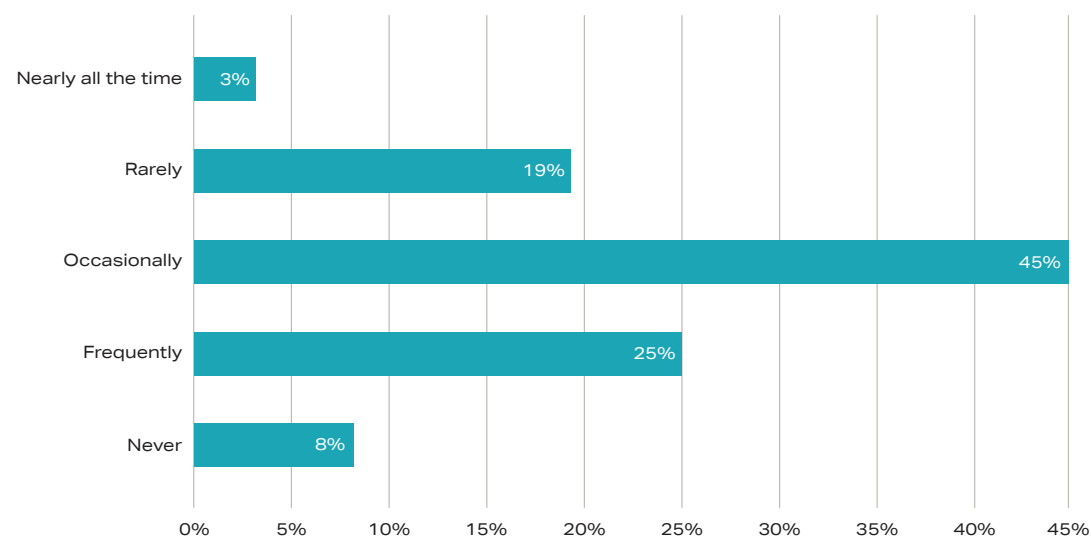
Loyalty Programs Play a Significant Role in Booking Travel

Loyalty programs play a significant role in the travel booking process, especially for the New Traveler. These programs have become essential companions, directly influencing booking decisions for many consumers. In fact, loyalty rewards often have a direct impact on overall travel plans, with ten percent of travelers stating that redeeming or earning loyalty points is their main motivator for leisure travel in 2024.

71% of survey respondents to PMG's 2024 State of Travel Survey say loyalty programs are either *very* or *extremely important* in influencing their choice of airline or hotel when making travel arrangements.

Additionally, a substantial 28 percent of travelers frequently or nearly always base their travel plans on the usage of loyalty rewards or points.

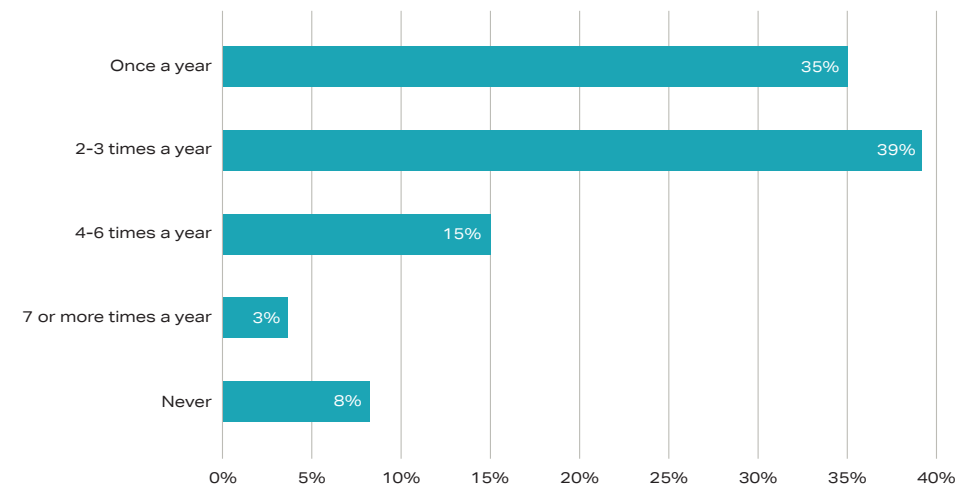
How Often Do Travelers Determine Travel Plans Based on the Usage of Loyalty/Points



Source: PMG's 2024 State of Travel Survey

Given the widespread prevalence of loyalty programs in the modern travel experience, it's no surprise that customers seek to regularly enjoy the benefits of their membership. More than half (57 percent) of travelers redeem rewards from their hotel loyalty program at least twice a year. Loyalty points and rewards accumulated from business travel are also often used to subsidize leisure travel and personal trips.

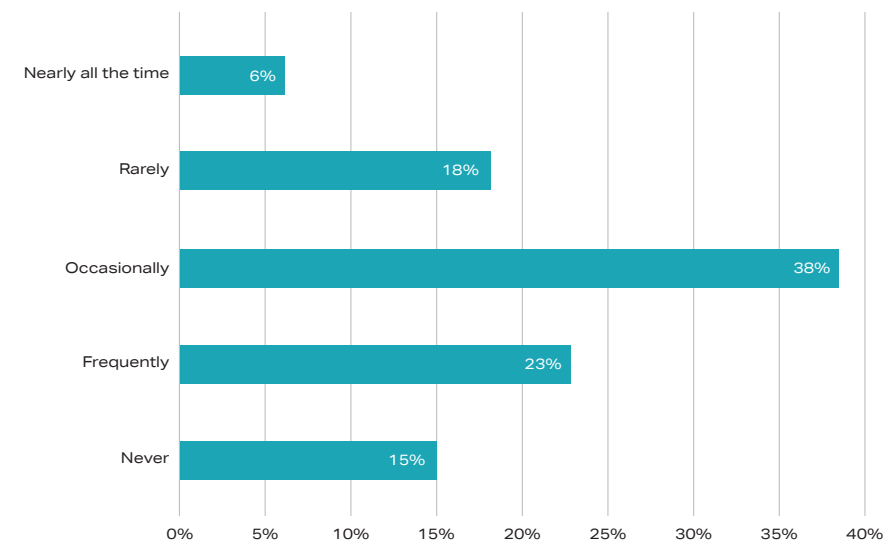
How Often Travelers Redeem Rewards from Accommodation Loyalty Programs



Source: PMG's 2024 State of Travel Survey

> 85% of respondents to PMG's 2024 State of Travel Survey apply loyalty rewards from business trips to personal travel.

How Often Travelers Apply Loyalty Points/Rewards from Business Trips to Personal Trips



Source: PMG's 2024 State of Travel Survey

TRAVEL, ELEVATED

Simple & Personalized Experiences Are Table Stakes

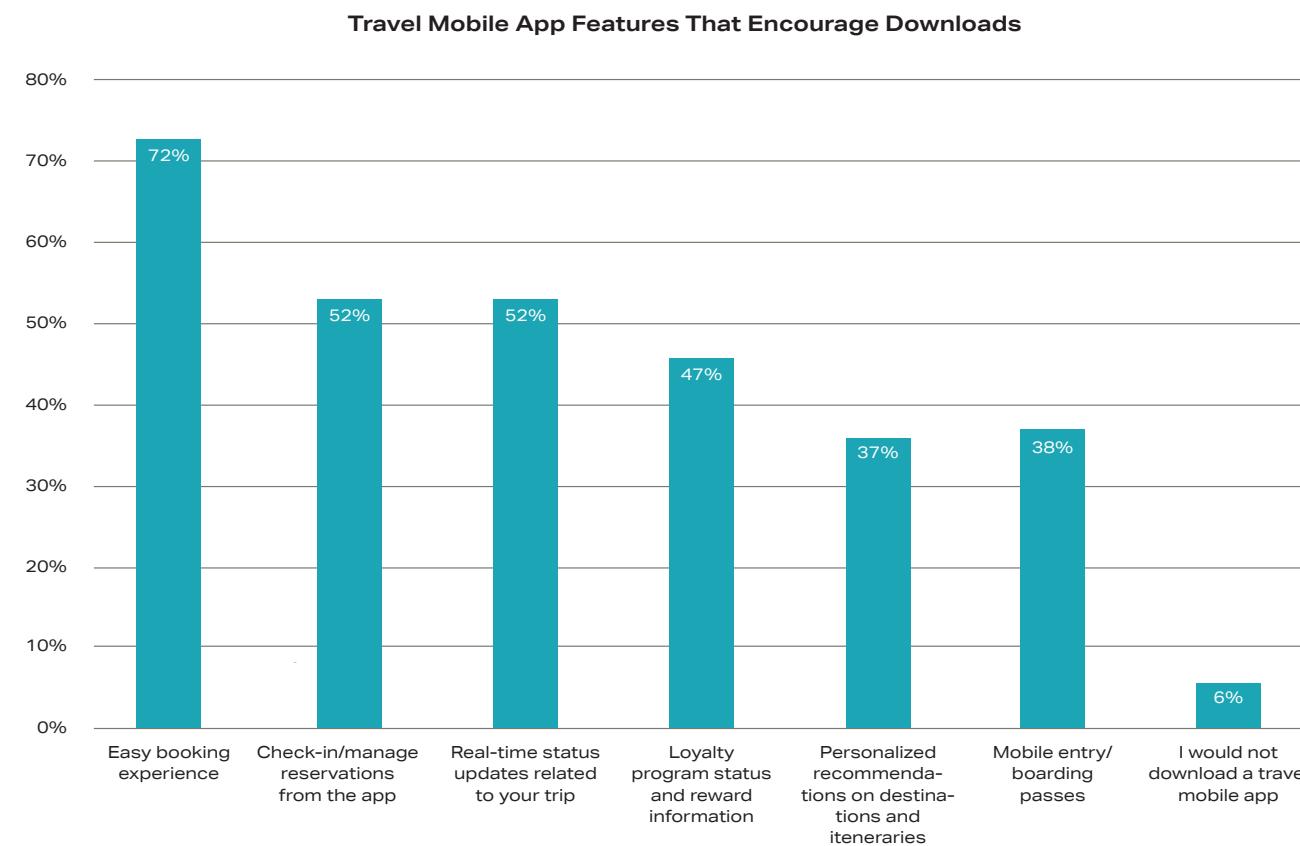
These expectations have now become the standard for all travelers, regardless of prior registration or their loyalty membership status. Seventy-seven percent of travelers emphasize the utmost importance of an easy online booking experience when making decisions about flights and accommodations. We found that a significant majority of all travelers (60 percent) state that personalized offers and promotions tailored to their preferences and past booking history greatly influence their decision to book with a specific airline or hotel. Personalization holds particular significance for travelers under the age of 45, with 68 percent acknowledging its high importance.

However, when asked to rank the importance of benefits based on value, flexible booking options emerged as the top priority, surpassing the desire for a simplified and personalized experience. This suggests that while a streamlined and personalized experience is now expected from brands, it is viewed separately from the benefits associated with membership.



Source: PMG's 2024 State of Travel Survey
 *The selection with the lowest mean was ranked highest.

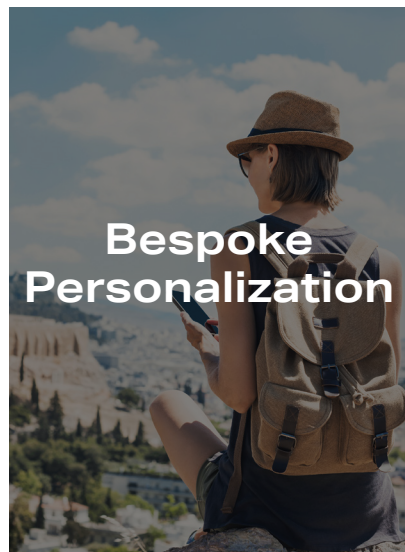
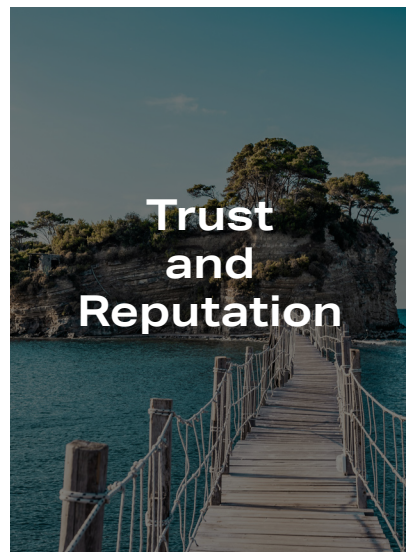
A significant majority of travelers (57 percent) consistently rely on the mobile apps provided by specific airline or hotel brands to fulfill their travel requirements. This reliance on technology is even more pronounced among travelers under the age of 35, with 66 percent utilizing mobile apps. When considering the factors that prompt travelers to download a mobile app, PMG research reveals that an effortless booking experience is the most influential feature. Following closely behind are functionalities such as checking in and managing reservations, as well as receiving real-time status updates. These findings highlight the significance of convenience and up-to-date information in driving the adoption of mobile apps within the travel industry.



Source: PMG's 2024 State of Travel Survey

In order to secure preference and encourage repeat bookings from travelers, brands that have established loyalty programs must go beyond the traditional approach. It is crucial for them to prioritize delivering what holds the utmost value to their customers, such as reliable service, wellness offerings, and exceptional locations worth visiting. By showcasing their expertise in providing this personalized value, brands can cultivate a strong sense of loyalty among their clientele, regardless of whether they choose to implement a formal loyalty program or not. This customer-centric approach guarantees that the offerings remain relevant and appealing to the target audience, ultimately fostering long-term relationships and lasting brand loyalty.

Core Pillars Supporting Brand Preference for Travelers:



V.
*Opportunities
for Travel
Brands*



OPPORTUNITIES FOR TRAVEL BRANDS

2024 Travel Trends We're Watching

As we look forward to the remainder of 2024, we can anticipate a variety of unique travel trends that are steadily gaining momentum and becoming increasingly popular across every generation of traveler. This year promises to be a dynamic and transformative period for the travel industry, with these trends capturing the imagination of globetrotters worldwide and shaping the way travelers will explore, discover, and connect with the world around us in the months ahead.

Pop Culture Travel

The allure of pop culture travel is soaring, as more and more travelers embark on journeys to visit the iconic movie sets of their beloved TV shows or attend concerts featuring their favorite artists. In 2024, this trend is set to flourish, with enthusiasts jetting off to destinations like Sicily for an immersive “White Lotus” experience or planning weekend getaways centered around exclusive Taylor Swift concerts when tickets are scarce in their hometown arenas.

The desire for experiential travel will continue to drive these adventures, as travelers seek to create lasting memories and connect with the cultural phenomena that captivate their hearts. Sports fans will remain committed to planning trips around must-see athletic matches, ensuring they don't miss out on the action from their favorite players and teams.

Paris Summer Olympics

With the Olympics dominating the world stage in just a few months, France will be a popular destination and travelers who want the once-in-a-lifetime experience of watching the Games will flock to Paris to watch history unfold. During the summer months, when the Games captivate both culture and conversation, brands showcasing European destinations by aligning their messaging with the spirit of the Olympics can capitalize on all the buzz and excitement.

Culinary Explorations

Culinary experiences remain a powerful source of inspiration for travelers worldwide, shaping their choice of destinations. From chef-led trips to experiential dining, experiences centered around food and drink will continue to draw travelers as culinary tourism grows in 2024.

Brands that curate meaningful and immersive dining experiences—emphasizing local ingredients and cultural traditions—have the unique opportunity to provide a genuine sense of authenticity to these discerning flavor-seekers. By offering unique and enriching culinary journeys, these brands can tap into the growing demand for culinary explorations and create unforgettable memories for travelers who crave a deeper connection with the places they visit.

Evolving Wellness Travel

Wellness offerings have expanded beyond spas. Travel now incorporates wellness in all aspects, promoting social, physical, and mental well-being. From embracing the healing power of nature to nourishing the body with wholesome nutrition, the New Traveler is seeking amenities and experiences that holistically enhance their overall well-being. While adventure-seeking travelers are increasingly drawn to adrenaline-fueled experiences, a new wave of travelers seeks amenities that improve overall well-being.



TAKEAWAYS

Ensuring Success in 2024

The New Traveler of 2024 will prioritize personal value over everything else—even the destination itself—as they seek enriching experiences that align with their individual preferences.

As demand for travel increases and consumers are faced with an abundance of choices, travel companies must differentiate themselves by identifying and effectively communicating their unique value proposition. This entails adapting their offerings to align with evolving customer preferences, prioritizing personalization to foster brand trust and loyalty, delivering distinctive local experiences, and implementing well-defined sustainability practices.

The New Traveler is now exposed to travel recommendations and content through a wide array of channels and platforms. With shorter travel planning windows ranging from 1 to 3 months, brands must adapt to the changing ways in which consumers seek travel inspiration and proactively engage to capture spontaneous travel interest. This presents an opportunity to provide added value and cultivate long-term loyalty throughout every stage of the travel journey, from initial inspiration to booking and the actual stay.

To meet the heightened consumer expectations of the New Traveler, travel brands must deliver exceptional service and offer a fresh perspective that sets them apart from the competition. By doing so, they can forge lasting connections and establish themselves as leaders in the industry. Those that find success will focus on:

1

NAVIGATING THE EVOLVING WORLD OF DISCOVERY

Today’s travel brands need to embrace the diverse sources through which travelers seek information, inspiration, and recommendations. From content creators and curated platforms to online and offline communities, it’s crucial for brands to recognize and leverage the diverse channels travelers engage with for inspiration. By crafting targeted marketing strategies that effectively engage travelers across these various sources, brands can establish meaningful connections and capture the attention of their target audience.

2

ENHANCING LOYALTY & BRAND PREFERENCE THROUGH ELEVATED EXPERIENCES

Brands can strengthen traveler loyalty with elevated experiences, ultimately building advocacy and direct bookings. A vast majority of travelers now expect a simplified booking experience, relevant messaging, and engaging personalized experiences, increasingly enabled by technology and unique travel offerings. Brands that effectively harness the power of personalization have the ability to inspire wanderlust, simplify trip planning, and elevate the overall brand experience. By doing so, these brands not only enhance their reputation and build trust but also establish a strong foundation for long-term loyalty.

3

HIGHLIGHTING THE ‘BLEISURE’ ELEMENT OF TRAVEL

The New Traveler no longer strictly differentiates between leisure and business trips, instead actively seeking opportunities to blend the two whenever feasible. With the advent of remote and hybrid work, a fresh wave of travelers now embark on journeys primarily for business reasons, yet extend their stays for leisure purposes. Travel brands can capitalize on this trend by better understanding this emerging crossover style of travel and tailoring their offerings to cater to the preferences that resonate with the bleisure traveler.

4

INTEGRATING SUSTAINABLE PRACTICES ACROSS BRAND TOUCHPOINTS

The concept of sustainability can vary in definition and significance among different travelers and generations. Travel brands should embrace a nuanced approach to impactful travel and integrate sustainable practices into every facet of the brand experience. Whether it’s incorporating sustainable design principles, implementing eco-friendly operations, engaging in philanthropic initiatives that respect local cultures, or offering environmentally conscious products and services, travelers now expect brands to demonstrate a genuine commitment to sustainability across various touchpoints. This has become an essential requirement for discerning travelers seeking responsible and ethical travel options.

5

UNDERSTANDING BUDGET TRAVELERS’ MOTIVATIONS & LIMITATIONS

Despite being on a budget, individuals are still highly motivated to seek out travel opportunities in the coming year, with many planning to allocate more funds for leisure trips. However, due to financial constraints, most budget travelers will opt to explore destinations within their immediate regions, rather than embarking on international journeys. Even with these limitations, budget travelers tend to be more spontaneous compared to those in higher income brackets, making them more open to messaging that emphasizes new and unique experiences at their chosen destinations.

VI. ABOUT THIS REPORT

Overview

PMG's The New Traveler Report provides a global analysis of travelers' upcoming travel plans across the U.S., U.K., China, Germany, and India. The report dives into regional travel trends related to factors influencing travel, loyalty program usage, accommodation types, method of travel, frequency of travel, and booking sources. The objective of this report is to understand the motivations and behavior of the New Traveler as well as the global traveler's outlook for 2024 and how travel and travel-adjacent brands can best understand their needs.

The PMG 2024 State of Travel Survey

The survey was written by PMG and fielded by Pollfish from March 1, 2024, to March 13, 2024, across the U.S., U.K., India, Germany, and China. 1,800 respondents completed the survey with the following regional breakout:

Fieldwork Dates**Start:** March 1, 2024**Finish:** March 13, 2024**Total Surveyed:** 1,800 Internet users aged 18+

About PMG

PMG is a global independent marketing and technology services firm that seeks to inspire people and brands that anything is possible. Driven by shared success, PMG uses business strategy and transformation, creative, media, and insights, along with our proprietary marketing intelligence platform Alli, to deliver Digital Made for Humans™. With offices in New York, London, Dallas, Fort Worth, Austin, Atlanta, Costa Rica, and Cleveland, our team is made up of 900 employees globally, and our work for brands like Apple, Nike, Intuit, Experian, Whole Foods, Kohler, CKE Restaurants and Sephora has received top industry recognitions including Cannes Lions and Adweek's Media Plan of the Year.

Named to Ad Age's 2023 A-List, MediaPost's 2022 Independent Agency of the Year, and Adweek's 2021 Breakthrough Media Agency of the Year, PMG has grown through commitments to continuous improvement, business integrity, and cultivating dynamic relationships. PMG is proud to be named among Fast Company's Best Workplaces for Innovators, Fortune's 2023 #1 Best Workplaces in Advertising & Marketing and Best Workplaces for Women, and to be the only company named to Ad Age's Best Places to Work nine years in a row. For more information about PMG, visit www.pmg.com.

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