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Return to Travel: What do Gen Z, Millennials and Gen X Expect?

A travel industry report by Publicis Sapient.

THE FUTURE OF TRAVEL IS NOW

Since the onset of COVID-19, the travel and hospitality industry has been forced to adapt to rapidly changing safety guidelines and consumer behaviors.

While we know that people are finally returning to travel in 2022, we also know that this return looks quite different across countries and age groups, just like the varying effects of COVID-19 struck diverse demographics in different ways.

This leads to our question: What does the future of travel and hospitality look like in 2022 for three different generations?

Our survey showed that visions for the ideal trip look different across age groups and time zones, highlighting a crucial need for personalized offerings from travel brands.

Respondents' budgets are strained, their stress levels are heightened, and in many cases, free time is limited, putting pressure on trips to live up to travelers' high expectations.

While travel and hospitality companies have been working overtime to meet heightened consumer desires, our survey results proved that most travelers still have frustrations and reservations with the planning and booking processes.

Industry leaders can use the findings in this report to understand the most important trends across generations for the return to travel—and how to meet these changing needs this year.

> What does the future of travel and hospitality look like in 2022 for three different generations?

KEY FINDINGS

Travel priorities: Among Gen Z respondents, a "once-in-a-lifetime experience" is the top priority. For Millennials, it's safe and secure trips, and Gen X is disproportionately looking for value for the money.

Sustainability in travel: Millennials are slightly more likely than Gen Z and Gen X to say that sustainability plays a vital role in where they travel, with 2/3 saying they agree with the statement, versus 64% of Gen Z and 54% of Gen X.

Digital versus concierge: Gen Z was more likely than other generations to prefer the help of a human being—such as a concierge, customer service or a travel agent—when researching certain travel experiences.

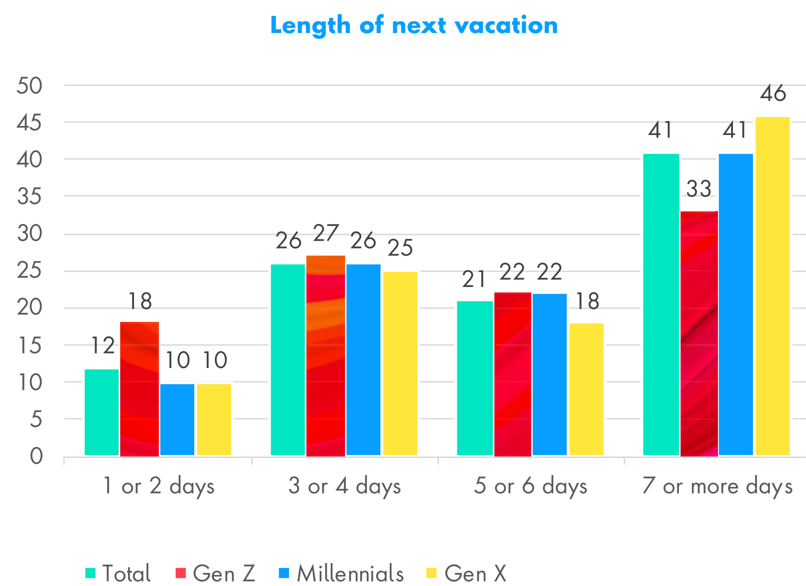
Top travel concerns: The top concern for respondents planning a trip is cost. Other concerns included safety, restrictions on travel, health concerns related to the pandemic, booking flexibility, and sustainability.

VR/AR travel planning: More than half of respondents are somewhat or very interested in VR/AR experiences to experience a destination before going, with Millennials being the most interested compared to Gen X and Gen Z.

ON AVERAGE, WHERE DOES EACH GENERATION DIFFER?

How long is your trip?

Gen Z: Shorter trip length
Millennials: In the middle
Gen X: Longer trip length



HOW FAR ARE YOU TRAVELING?

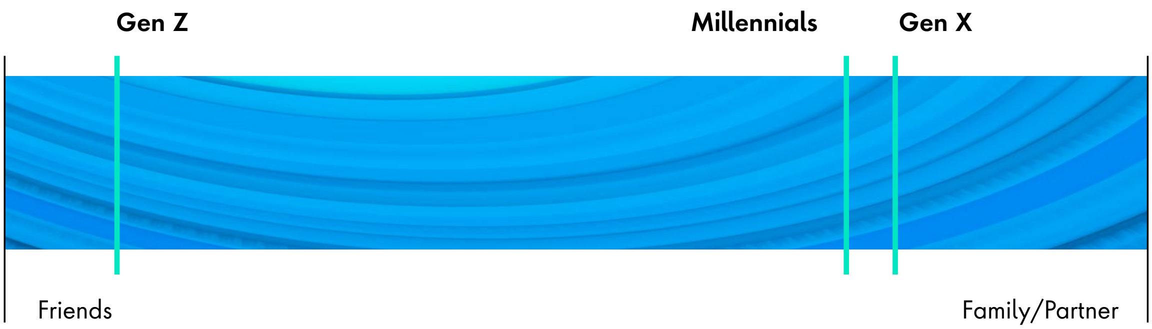
How long is your trip?

Gen Z: Least likely to travel domestic
Millennials: In the middle
Gen X: More likely to travel domestic

Destination	Gen Z	Millennials	Gen X
North America	32%	28%	32%
Central America and the Caribbean	10%	10%	8%
South America	7%	9%	3%
Europe	40%	45%	42%
Middle East	13%	23%	13%
Africa	8%	10%	6%
Asia	23%	31%	18%
Australia and Pacific Islands	6%	7%	4%
Domestic travel within my country	24%	29%	39%

WHO ARE YOU TRAVELING WITH?

Gen Z: More likely friends
Millennials: More likely family or partner
Gen X: More likely family or partner

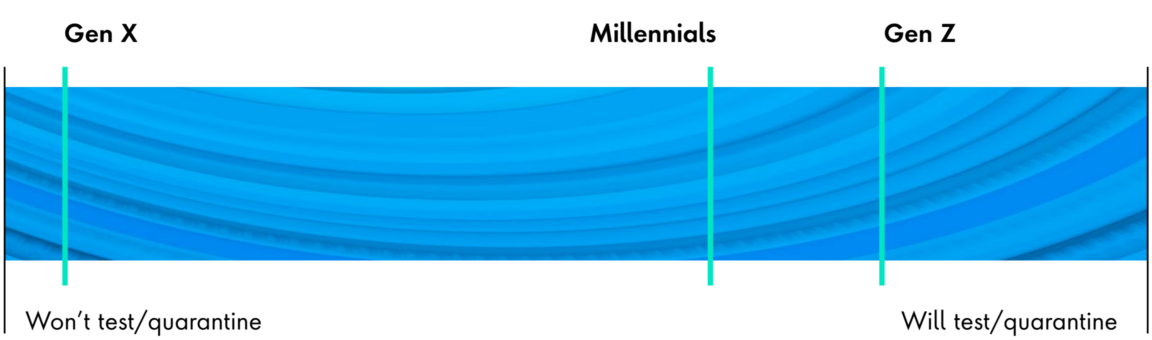


WHAT MOTIVATES YOU TO TRAVEL?

Gen Z: A once-in-a-lifetime experience
Millennials: Specific leisure events, new cultures, new destinations
Gen X: A destination I've been to previously

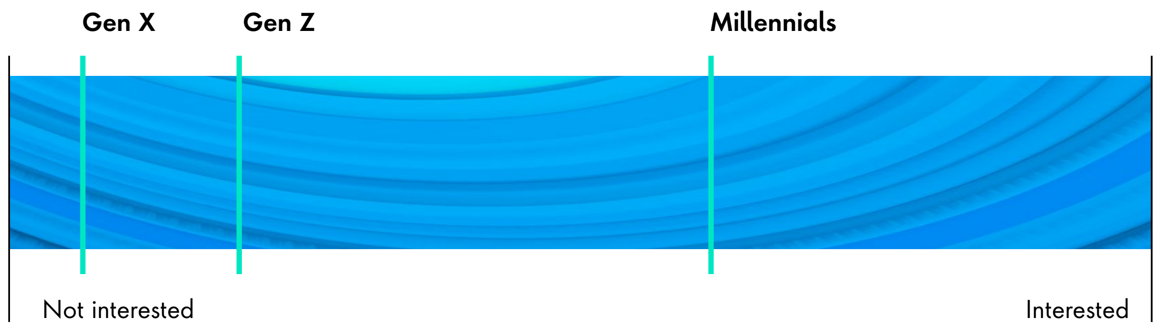
WHAT IS YOUR QUARANTINE CONCERN?

Gen Z: More willing to quarantine or test
Millennials: In the middle
Gen X: Less willing to quarantine or test



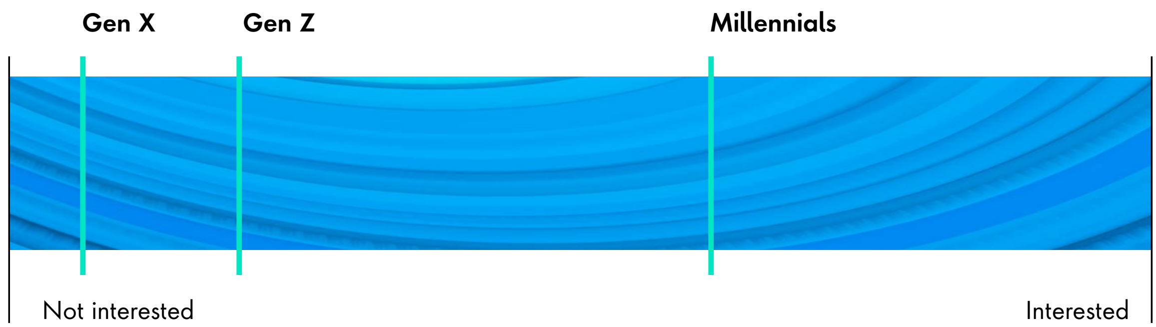
HOW OPEN ARE YOU TO PAYING WITH CRYPTO?

Gen Z: In the middle
Millennials: Most open
Gen X: Least open



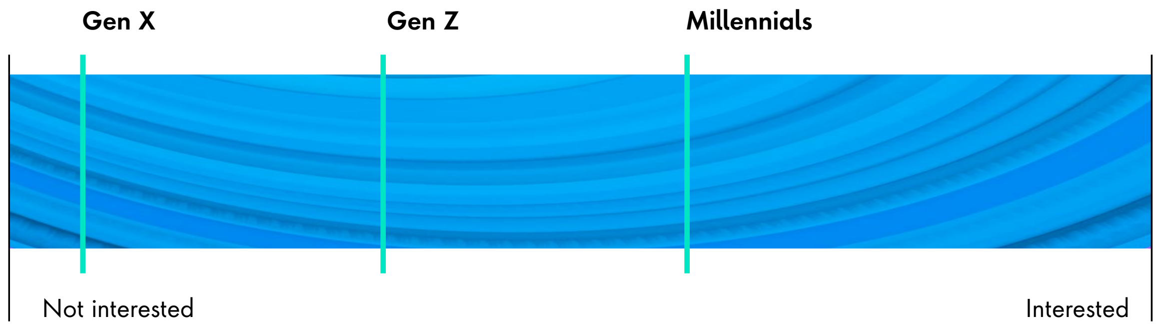
HOW OPEN ARE YOU TO PREVIEWING A DESTINATION WITH AR/VR?

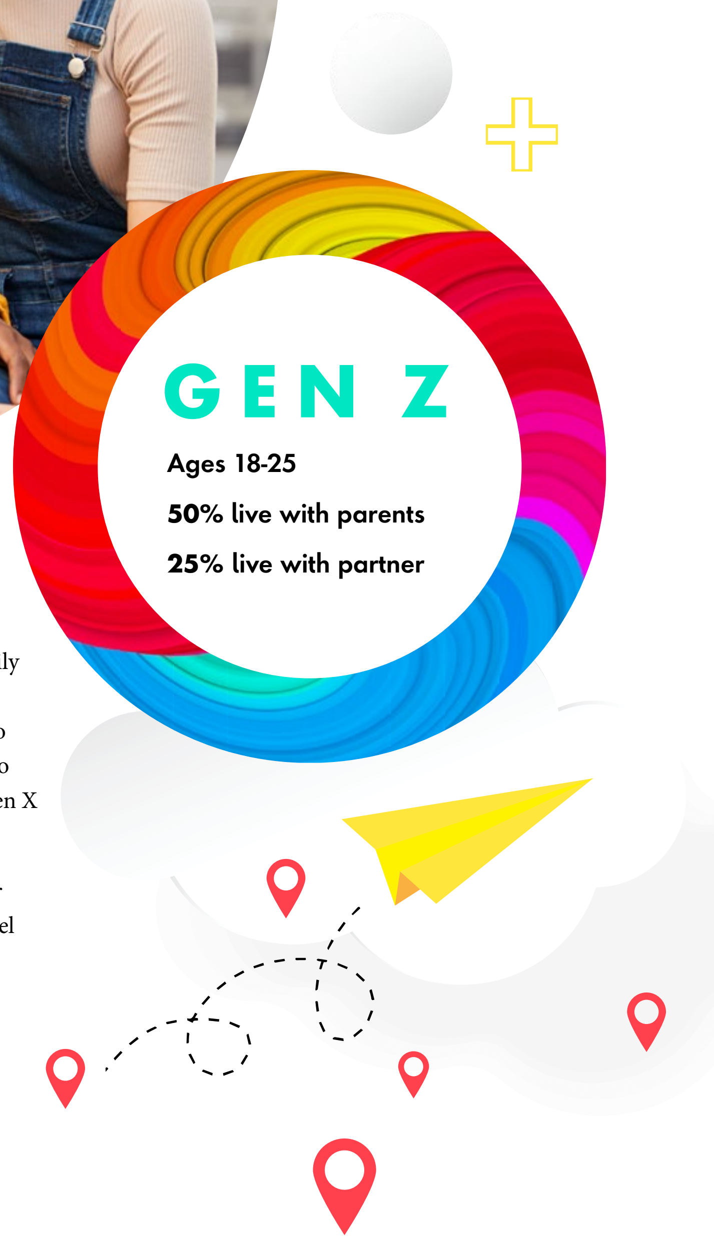
Gen Z: In the middle
Millennials: Most open
Gen X: Least open



ARE YOU INTERESTED IN A TRAVEL SUBSCRIPTION?

Gen Z: In the middle
Millennials: Most open
Gen X: Least open





WHAT KINDS OF VACATIONS DOES GEN Z TAKE?

Gen Z, the youngest group surveyed, **takes shorter vacations on average**. About 22% of Gen Z respondents said their next vacation would be 1-2 days, compared to just 10% of Millennials and Gen X saying the same.

As the upcoming age group of spenders, more Gen Z respondents say **cost is their biggest concern for travel** than older respondents.

These young digital natives are more likely than other age groups to **travel with a friend group** rather than family or a partner. Roughly 22% of Gen Z respondents confirmed they prefer to travel most with friends, compared to just 14% of Millennials and 9% of Gen X saying the same.

The most common Gen Z answer for what makes them more likely to travel is a "once-in-a-lifetime experience," surpassing affordability and safe destinations.

HOW DOES GEN Z THINK ABOUT COVID-19 AND TRAVEL?

Gen Z is the age group **most willing to go to destinations with COVID restrictions or quarantine requirements**, despite being the least vaccinated of all the age groups. One explanation for this compliance could be [the already-lengthy isolation] and frequent testing they've faced to get through school, which make any travel requirements pale in comparison.

38% of Gen Z respondents said they would go to a destination where they had to quarantine or take protective measures against COVID-19 (like testing or contact tracing), versus just 33% of Millennials and 21% of Gen X. Only 70% of Gen Z respondents reported being fully vaccinated, compared to 82% of Millennials and 86% of Gen X.

HOW DOES GEN Z BOOK TRAVEL?

Interestingly enough, Gen Z was **more likely than other generations to prefer the help of a human being**—such as a concierge, customer service or a travel agent—when booking certain travel experiences.

Almost **1/3 of Gen Z respondents preferred professionals** versus purely digital options for researching activities and attractions, researching lodging, and booking transportation compared to roughly 1/4 of Millennials and less than 1/5 of Gen X respondents.

While Gen Z lacks time and money, they're certainly not lacking wanderlust, and the COVID-19 pandemic has had the least impact on this generation's travel plans.

MILLENIALS

Ages 26-40

62% live with spouse/partner

50% live with children under 18

Millennials are the travel generation for 2022. They're the most engaged in travel and have the disposable income to carry out their vacation plans.

WHAT KINDS OF VACATIONS DO MILLENNIALS TAKE?

Millennials were **most likely to be frequent travelers**, with 20% reporting 4+ trips in the upcoming year, compared to just 13-14% in other generational cohorts.

Millennials seem to be **just as adventurous as Gen Z** when it comes to travel; their travel itineraries will more often include going to a destination they've always wanted to visit, learning about a new culture, and going to a specific event.

HOW DO MILLENNIALS THINK ABOUT COVID-19 AND TRAVEL?

Millennials also reported they are **more likely to travel abroad and travel to visit friends and family** due to recent world events like COVID-19, and their previous travel plans were also the **most heavily impacted by the pandemic**.

64% of Millennials had to cancel a trip due to COVID-19, versus only 52% of Gen Z and 49% of Gen X. Health and safety are also still a concern for this generation, with more Millennial respondents saying **safe and secure destinations** are their #1 priority for travel.

WHAT TRAVEL OPINIONS DO MILLENNIALS SHARE?

Travel is a large part of many Millennials' identity. 43% of Millennial respondents strongly agree that **travel is an integral part of who they are**, versus only 31% of Gen Z and 34% of Gen X who said the same.

Compared to other generations, Millennials were **more open to using new travel technology**. Almost 60% of Millennials reported being very or somewhat interested in using AR/VR to experience travel destinations before going, and 44% said the same about **using cryptocurrency to pay for trips**, compared to less than 45% of Gen X and less than 53% of Gen Z who said the same for either.

Millennials are also slightly more likely than Gen Z and Gen X to say that **sustainability plays a vital role in where they travel**, with ⅔ saying they agree with the statement, versus 64% of Gen Z and 54% of Gen X.

Travel is an integral part of who Millenials are and sustainability plays a vital role in where they travel.

WHAT KINDS OF VACATIONS DOES GEN X TAKE?

Gen X, unsurprisingly, relishes tried-and-true travel experiences, finding a good deal, and avoiding travel with COVID restrictions.

Gen X's **#1 priority for travel is value for money** over safe and secure destinations or once-in-a-lifetime experiences. Gen X is also **more likely to travel with family members** like children, which makes travel more costly if they're footing the bill.

They're also less likely to travel to experience a new culture and more **motivated to return to a destination they've been to before**. Almost ¼ of Gen X wants to visit a familiar destination, while only 19% of Millennials and 16% of Gen Z said the same.

Gen X also takes the longest vacations, with 46% saying their next trip was 7+ days, compared to only 41% of Millennials and 33% of Gen Z.

HOW DOES GEN X THINK ABOUT COVID-19 AND TRAVEL?

COVID-19 safety measures also present more of a hassle for this age group. About 35% of Gen X respondents **would not travel somewhere where they'd have to take a COVID test or quarantine**, whereas younger age groups are more agreeable to these safety measures.

This generation is also planning to stay closer to home and is **more likely to travel domestically**, with 39% of Gen X respondents traveling within their own country this year, compared to only 29% of Millennials and 24% of Gen Z.

Overall, **Gen X is most concerned with relaxing and getting away** rather than seeking new experiences, which also carries over to planning. They're the least likely to be open to paying with cryptocurrency and using AR/VR to experience a travel destination before they go.

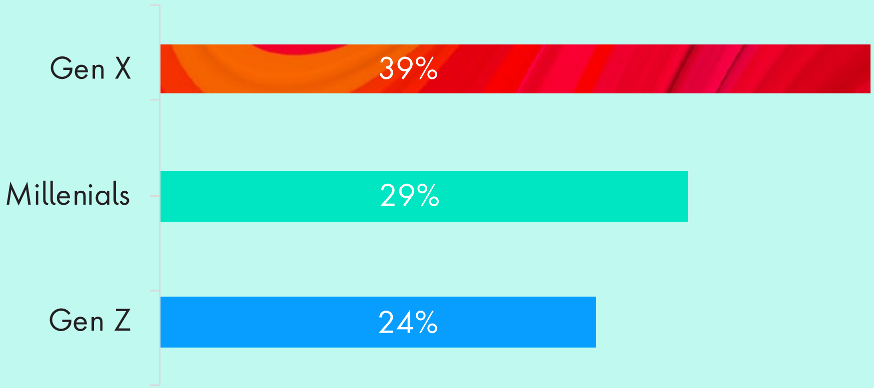
GEN X

Ages 41-57

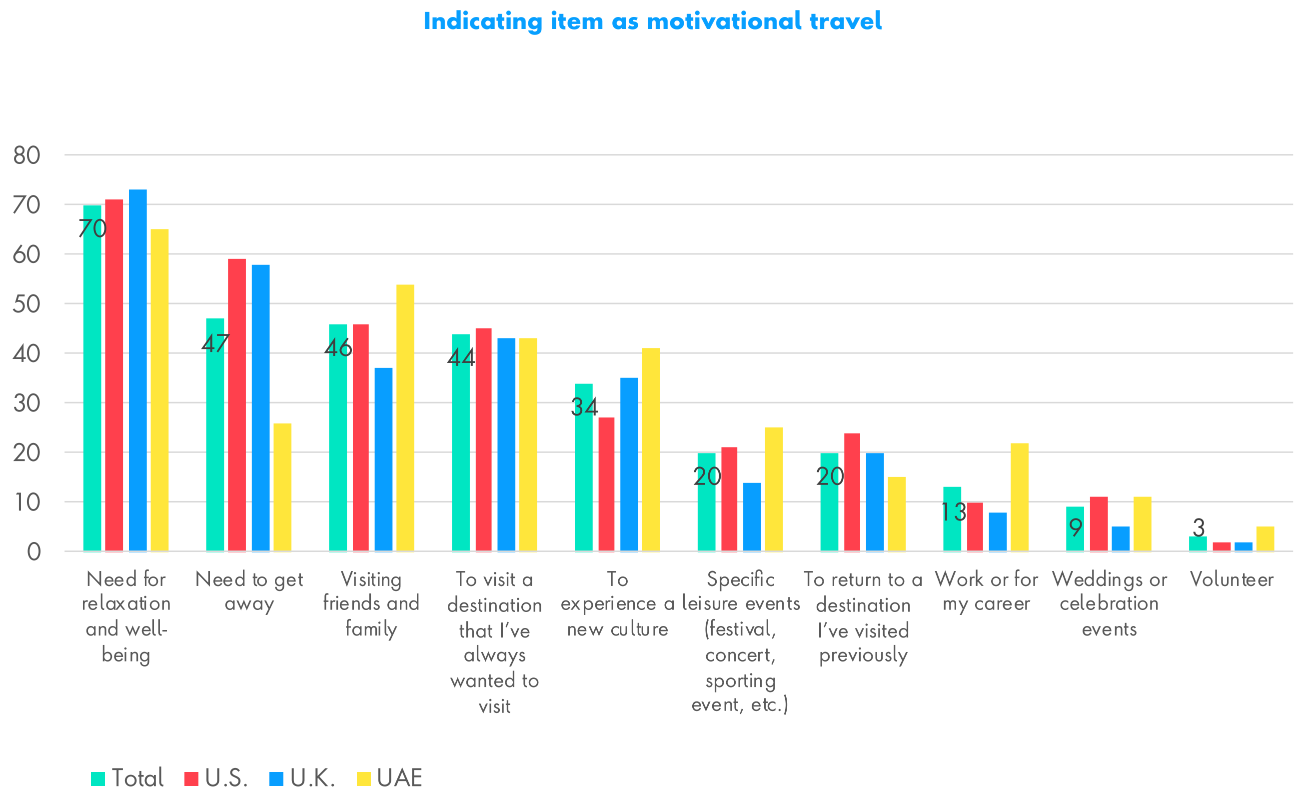
63% live with spouse/partner

and 63% live with children

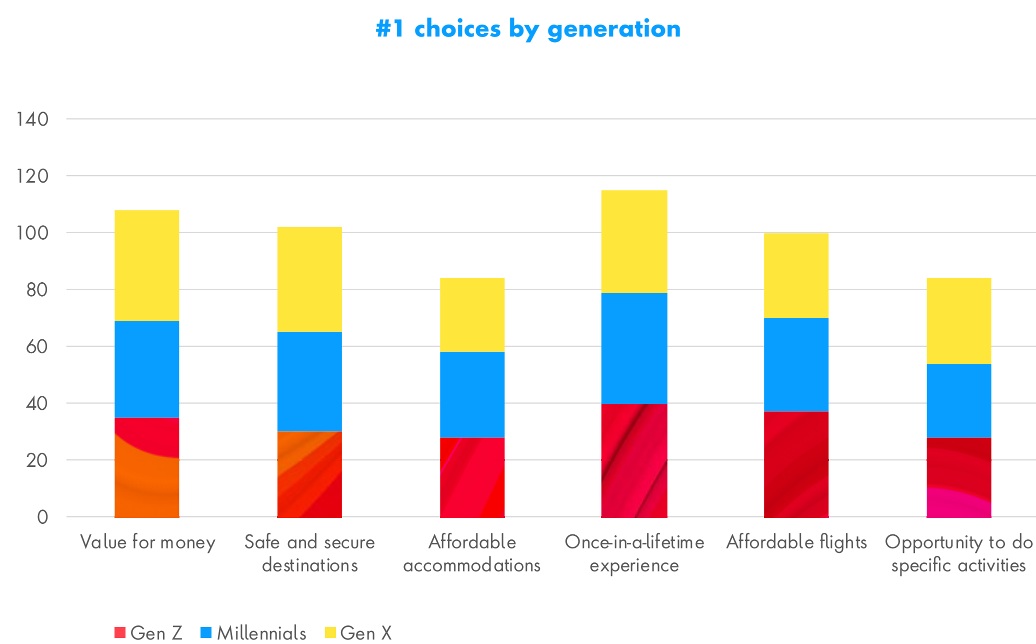
GEN X TRAVELERS ARE MORE LIKELY TO VISIT DOMESTIC DESTINATIONS



AGE IMPACTS TRAVEL MOTIVATIONS



EACH GENERATION VALUES SOMETHING DIFFERENT WITH TRAVEL



Travel Booking:

What makes planning a trip seamless?

WHAT MAKES PLANNING A TRIP SEAMLESS?

In a digital-first world, all generations prefer booking travel online, but it doesn't come without some hesitation.

Every single aspect of a trip can be planned digitally, and most travelers prefer it that way. From finding destination inspiration to researching restaurants and even booking hotels and flights, most travelers would rather head to a search engine than speak to a professional.

And out of all digital travel planning channels, search engines like Google and Yahoo are the most popular for research and booking. Roughly 62% of travelers use a search engine and/or talk to friends and family to plan a trip.

YOUTUBE COMES OUT ON TOP FOR SOCIAL MEDIA TRAVEL PLANNING

YouTube is also a growing online platform for travel research (34%), along with travel review sites (47%) and travel apps (37%).

Gen Z and Millennials are much more likely than Gen X to use social media platforms like YouTube and Instagram for travel research, excluding Facebook, which is most popular with Millennials. More than ¼ (28%) of Gen Z respondents also reported using TikTok as a travel research platform.

However, Gen Z is more likely to speak to a person than go online compared to other generational cohorts. When it comes to activities, lodging and flights, 30% of Gen Z will talk to a professional, compared to just 24% of Millennials and roughly 20% of Gen X.

SCARRED BY COVID-19, TRAVELERS ARE WORRIED THEY WON'T GET WHAT THEY PAY FOR

Most travelers (44%) say their biggest frustration with online booking is trusting they get what they pay for. After two years of travel chaos and cancellations due to COVID-19, many travelers may still be scarred by previous unpleasant customer service or online experiences.

Almost ¼ of respondents said they had difficulty booking travel or accommodations online as well, and 13% cited managing their bookings with multiple companies as the biggest issue.

The biggest frustration with online booking is trusting they get what they pay for.

FREE WI-FI REIGNS SUPREME OVER OTHER TECH OR SAFETY PRECAUTIONS

How can travel companies put customers at ease? When it comes to the growing concern over cost for most travelers, freebies are the best way to entice travelers. Despite most people preferring to stay in an upscale hotel (37%), versus other travel accommodations like a budget hotel or the homes of friends and family, most people are still cost-conscious and looking for free add-ons.

Out of 12 hotel perks to choose from, respondents picked free Wi-Fi, complimentary breakfast and all-inclusive options as the offers that would make them most likely to stay at a specific hotel.

Respondents were more concerned about COVID-19 safety on flights. Half of respondents said health checks for employees would make them more likely to choose a specific airline, but 54% still said they'd be most motivated to choose an airline with in-flight Wi-Fi, and 46% were swayed by in-flight entertainment.

Free Wi-Fi, complimentary breakfast and all-inclusive options are the offers that would make guests most likely to stay at a specific hotel.

MODERN TRAVEL TECHNOLOGY (DIGITAL CHECK-IN, PERSONALIZED APP OFFERS, ETC.) IS POPULAR

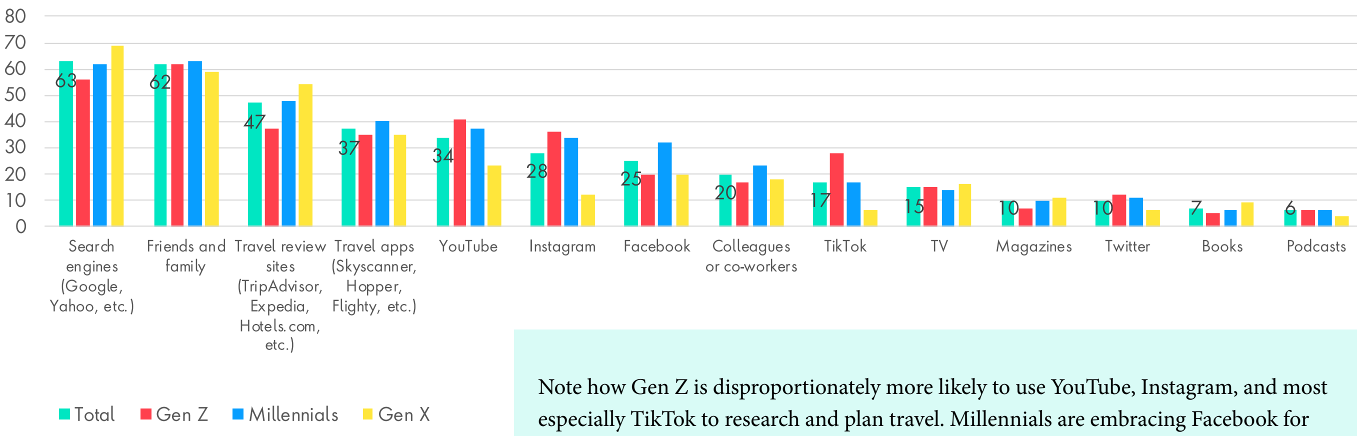
However, modern tech options were still popular motivators for flights and hotels alike. More than 30% of people said they'd want to use their phone to check in to their hotel and get personalized offers through an app. Almost ¼ of respondents were interested in check-in kiosks and using their phone as a room key.

Travelers were also somewhat open to futuristic booking options, like using crypto and AR/VR, with Millennials being the most receptive.

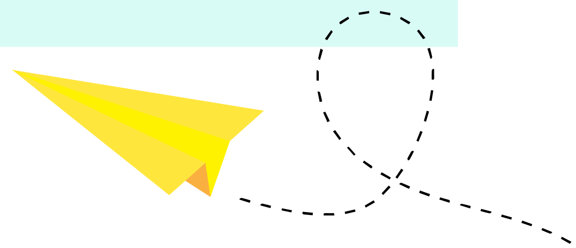
Overall, every age cohort seeks seamless digital booking options that will help rebuild their trust in the travel and hospitality industry.

GEN Z IS LEADING THE WAY WITH SOCIAL MEDIA TRAVEL PLANNING

% indicating usage of channel

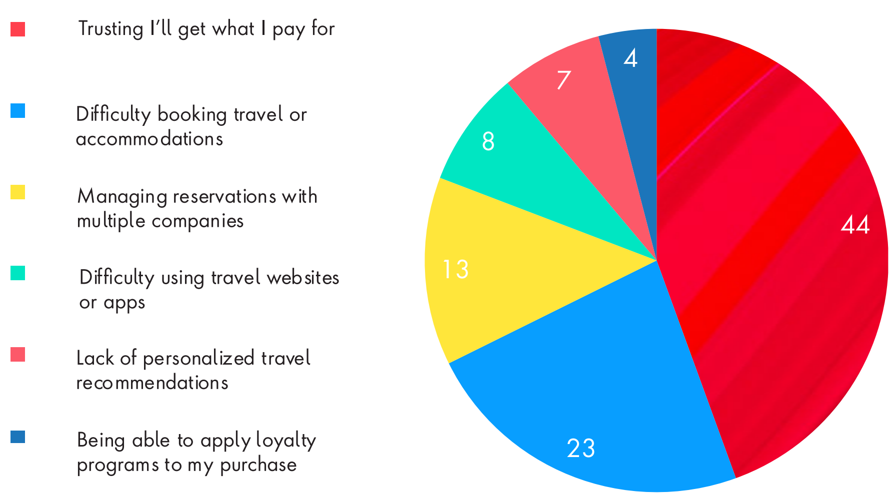


Note how Gen Z is disproportionately more likely to use YouTube, Instagram, and most especially TikTok to research and plan travel. Millennials are embracing Facebook for travel ideas more than the other age groups. Gen X sticks to search engines and travel review websites.



TRUST IS THE BIGGEST CONCERN FOR ONLINE BOOKING

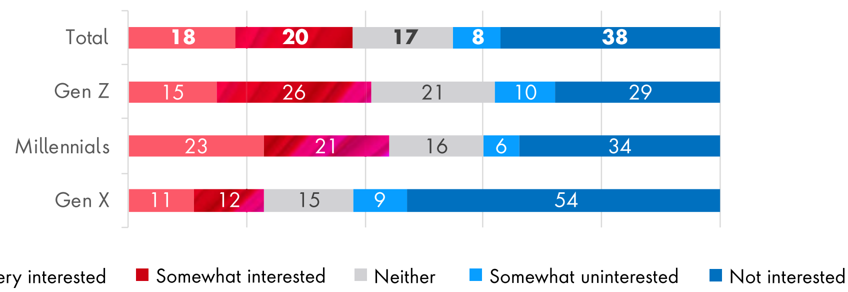
Biggest frustration when planning vacation online



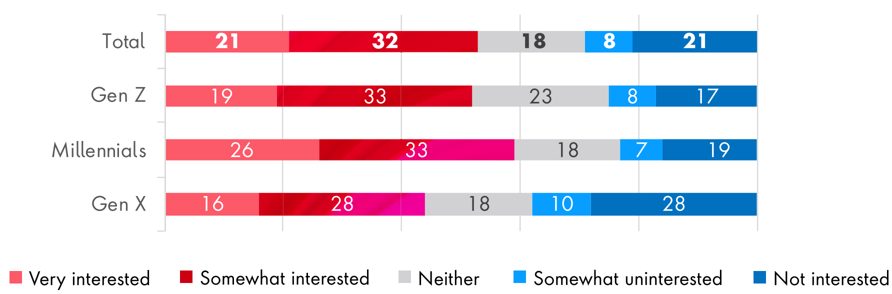
VR/AR AND CRYPTO TRAVEL OPTIONS ARE GAINING TRACTION

Most Gen Xers are not interested in using cryptocurrency to pay for travel or taking advantage of AR/VR travel previews. Out of all the generations, Millennials are the most enthusiastic about subscription-based travel promotions.

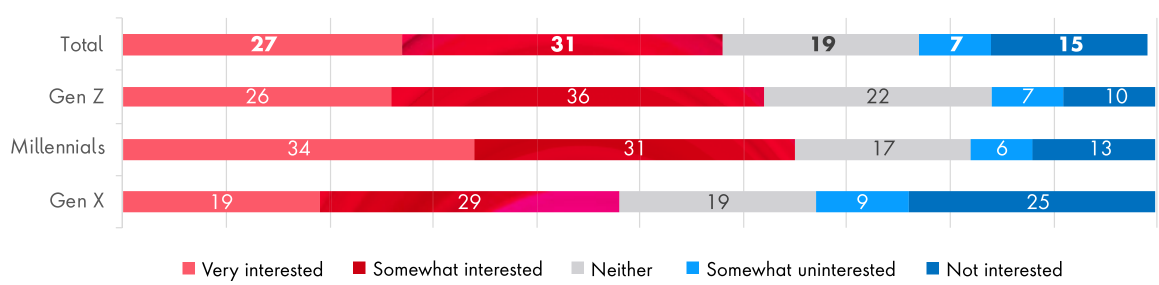
Using cryptocurrency to pay for travel



Using virtual/augmented reality to experience a destination before travel



Using a travel subscription service that offers exclusive promotions



Travel preferences:

How does culture impact the average trip?

COUNTRY CULTURES IMPACT TRAVEL DESTINATIONS, TRIP LENGTH AND VACATION MOTIVATIONS.

Overall, travelers from the United Arab Emirates (UAE) have the most trips planned for 2022. UAE respondents' trips were more frequent, further and longer than trips planned by travelers in the U.S. and the U.K.

UAE TRAVELERS ARE VACATIONING FURTHER, MORE FREQUENTLY AND FOR LONGER

On average, UAE respondents have 2.6 trips on the books this year, versus U.S. and U.K. respondents reporting 2.2 and 2.3 trips. Research shows UAE residents, especially Millennials, travel more frequently than the average traveler from another country. In this case, UAE residents were also most impacted by COVID-19 and may be trying to make up for lost time, as 72% were forced to cancel a trip, versus just 54% and 42% of U.S. and U.K. residents.

UAE respondents are also traveling further. In the U.K. and the U.S., people most frequently travel domestically or within their continent, but the same is not valid for the UAE. Almost 3/4 of UAE respondents' travel plans are on different continents, versus only ⅓ of U.S. respondents' trips and 37% of U.K. respondents' trips.

Over half of UAE travelers also said their trips were 7+ days, compared to only 44% of U.K. and 27% of U.S. respondents—perhaps due to views and policies surrounding vacation days in the respective countries. The national average for PTO in the United States is 7.6 days, whereas employees in the UAE are entitled to at least 30 days off per year, and U.K. employees are entitled to 5.6 weeks of PTO per year.

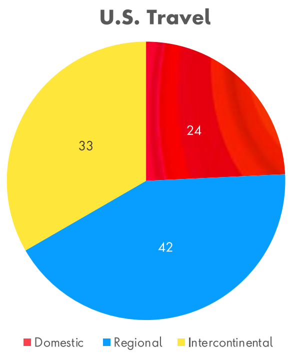
U.S. AND U.K. TRAVELERS NEED TO GET AWAY, AND UAE TRAVELERS NEED TO SEE FRIENDS AND FAMILY

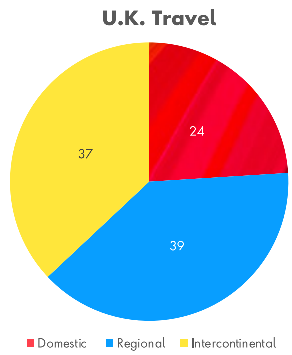
Culture also impacts reasons and motivations for travel. UAE respondents were much less likely than U.S. or U.K. respondents to say they are traveling because they "need to get away," as they are more likely to travel to "visit friends and family" or travel for "work or for my career." Almost 90% of the UAE population are expats, while only 14% of U.S. and U.K. residents are foreign-born, which could explain this cultural difference in answers for the three countries.

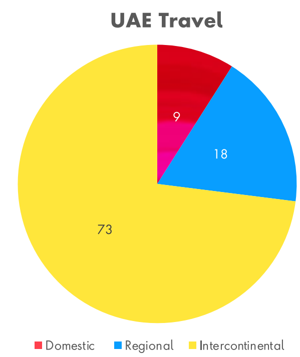
Overall, motivations for travel were incredibly diverse across all locations. On average, respondents selected three or more different motivations to get away.

Specific leisure events, new cultures, bucket list travel destinations, friends and family, the need to get away, and relaxation and well-being were all top motivations to travel.

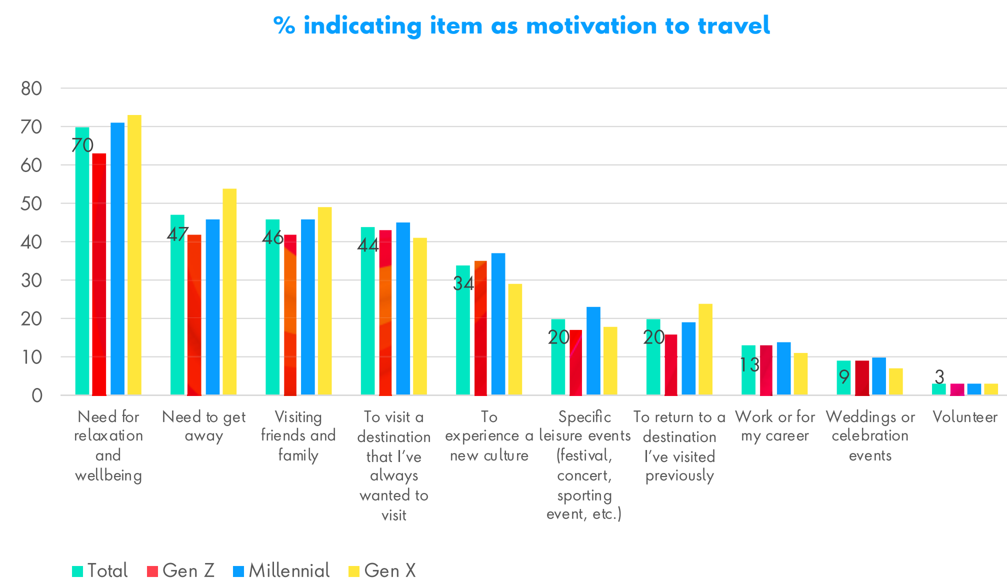
UAE TRAVELERS ARE HEADING TO FARTHER DESTINATIONS





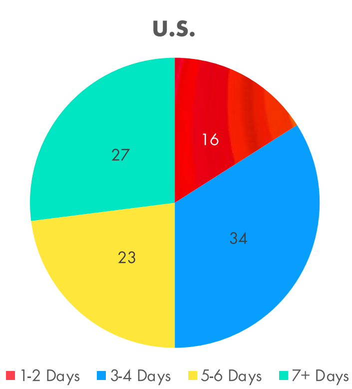


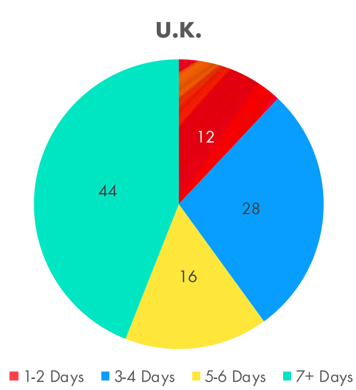
THE "NEED TO GET AWAY" IS PROMINENT FOR U.S. AND U.K. TRAVELERS

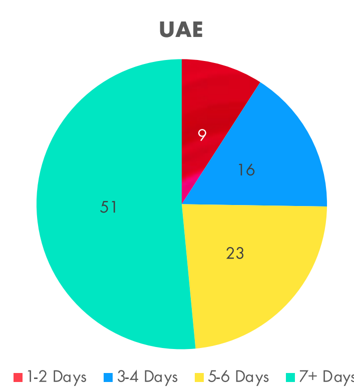


U.S. TRAVELERS' VACATIONS ARE ONLY HALF THE LENGTH OF OTHERS

Average trip length for next vacation/leisure travel







Post-COVID: How has the pandemic changed travel?

IN THE AFTERSHOCK OF THE COVID-19 PANDEMIC, TRAVELERS ARE READY FOR LEISURE.

The initial shock of the pandemic has worn off in the countries surveyed, but overall travel patterns are still abnormal, at least for now. While leisure travel is back in close-to-full swing, business travel is less prevalent.

With the popularity of remote work and certain travel restrictions in place, business travel has yet to recover, with on average only 1.1 business trips planned for U.S. and U.K. respondents in the next year and 2 for UAE respondents.

CHAMPAGNE DREAMS ON A BEER BUDGET: TRAVELERS WANT LUXURY BUT WORRY ABOUT COST

By contrast, leisure travel is back, but travelers are more budget-conscious. Almost 60% of respondents said they are more likely to find affordable or budget-friendly accommodations or have a "staycation" post-COVID. More than half also agreed they are more likely to travel within their own country or even skip or delay traveling to save money.

Over half of respondents said cost is their biggest trip-planning concern, yet just 19% said health concerns related to the pandemic. U.S. respondents were concerned about cost the most (66%), and UAE respondents were concerned about cost the least (39%), which could also be due to [record inflation in the U.S. at the time of the survey].

Across age groups, Millennials are now more likely to travel abroad and to fly to visit family/friends, while Gen X travelers are less likely to pursue these two options due to COVID impacts.

Most travelers are eager to get away after postponing or canceling travel plans.

Over half of respondents said cost is their biggest trip-planning concern.

THE MAJORITY OF TRAVELERS HAD TO CANCEL A TRIP DUE TO COVID-19

Most travelers are eager to get away after postponing or canceling travel plans. More than half of the study's travelers canceled or delayed a trip due to COVID impacts, mostly to avoid exposure. However, Gen X has a higher frequency of citing travel or business restrictions in place in the destination as their reason for cancellation.

Culture played a significant role in travel cancellations and even vaccination rates. Almost ¾ of UAE respondents canceled a trip due to COVID-19, while only 42% of U.S. and 54% of U.K. respondents said the same. While 85% of respondents are vaccinated, just 74% of U.S. respondents are, versus 95% of UAE respondents.

OLDER TRAVELERS ARE DONE WITH COVID PROTECTIVE MEASURES

Travelers of different generations are also divided on willingness to take protective measures against COVID-19 while traveling this year.

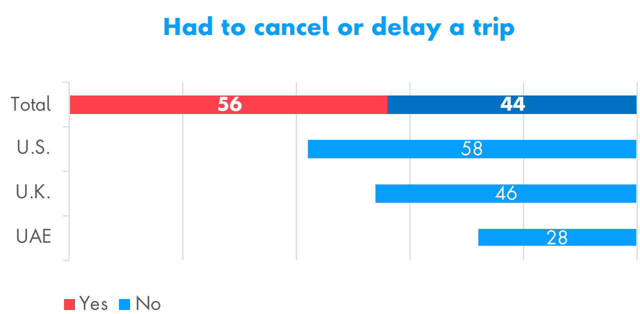
Overall, 31% of travelers would go to a destination with restrictions, and 43% of travelers say it depends on the situation, while 26% would not go at all. With Gen X specifically, only 21% would go to a destination with restrictions, 43% said it depends, and 35% would not.

The younger the traveler, the more willing they are to set out to a destination that may have quarantine or protective measures in place. But when it comes to the number of days willing to quarantine at a travel destination, most people aren't willing to cooperate after 3-4 days.

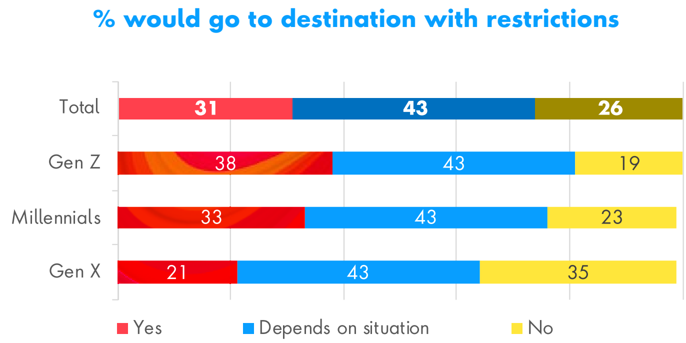
COVID-19 also impacted views on transportation. Most travelers are comfortable traveling by car and by plane (85% and 64%). Still, only 20% of people feel comfortable traveling by ship, potentially because of highly publicized disease outbreaks on cruise ships in the early days of the pandemic.

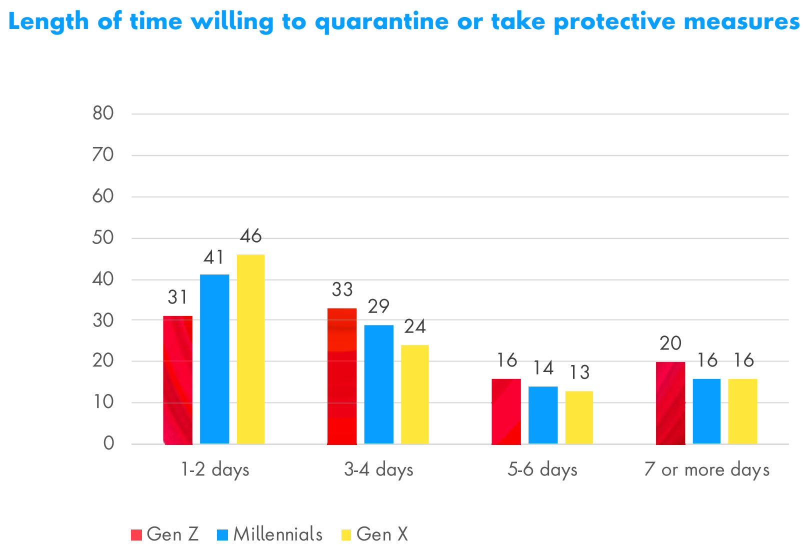
Overall, cost is the biggest concern for travelers right now, much more so than health and safety—which is a marked departure from the peak of COVID-19 outbreaks two years ago.

COVID IS THE #1 REASON FOR TRAVEL CANCELLATIONS

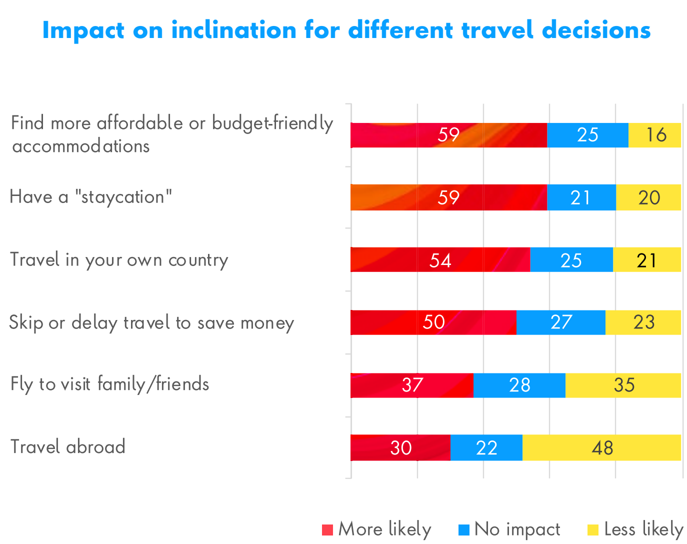


YOUNGER TRAVELERS ARE WILLING TO PUT UP WITH COVID RESTRICTIONS





BUDGET-FRIENDLY, DOMESTIC TRAVEL IS THE NEW NORM



Survey findings show that travelers are eager to vacation again this year, but they still harbor some lingering frustrations from travel experiences and interactions during the height of the pandemic.

This begs the question: How can travel companies regain digital trust and cater to a diverse pool of consumers?

These are three actions travel brands can take now to improve the booking process and emphasize personalization:

1

DEVELOP A CUSTOMER DATA PLATFORM (CDP) TO TARGET EACH CUSTOMER DIFFERENTLY

Customers are using a wide variety of digital channels to plan their trips. From YouTube to TikTok to Google, travelers are cobbling together a digital path of least resistance that leads them to the best possible travel options.

The ability to see a consumer's entire history of interactions with a company through a customer data platform (CDP) can help travel brands in various ways. From social media likes to hotel stays to website visits, a CDP puts every piece of individual data into one place.

See if your company is ready for CDP.

2

PROMOTE DATA-INFORMED, PERSONALIZED TRAVEL OFFERS

Findings showed that cost is a top priority for customers, but providing generic discounts or perks isn't effective when every traveler seeks something different.

Gen Z customers may not be swayed by COVID-19 health and safety precautions, and Gen X travelers may not be intrigued by travel offers in faraway destinations.

Automating test-and-learn marketing campaigns can ensure that calls-to-action consistently keep up with customer needs without constant manual intervention.

Learn more about test-and-learn automation for marketing campaigns.

3

COMMUNICATE TRANSPARENTLY WITH CONSUMERS ONLINE

Trust is the #1 issue customers have with the online booking process, and a simple way to build trust online is through transparent communication.

Similarly, most respondents have only two trips booked for the year, and after years of canceled trips, they want to make their vacation count.

Many customers feel hesitant booking travel, worrying about new rules they might have to follow or wondering if they'll really be getting what they're paying for. Travelers also cited frustrations about booking through multiple websites.

TRAVEL MARKETPLACES, AR/VR PREVIEWS AND SEAMLESS BOOKING WILL HELP

Travel brands can compete with third-party websites or travel marketplaces by offering trustworthy booking options for transportation, lodging, dining and activities all in one place.

Incorporating AR/VR online virtual tours can also help customers easily see what hotel rooms or travel experiences will look like, avoiding unnecessary confusion or discontent down the line.

Providing easy-to-digest, detailed, transparent information about every offering, with communication efforts targeted to consumers, will help brands stand out as reliable and regain loyalty with all demographics.

See how Spirit Airlines built customer trust with a new mobile app.