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.
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.
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.

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**TRAVELER SEGMENTS**

<table>
<thead>
<tr>
<th>Traveler Type</th>
<th>Percent of American leisure travelers in each segment.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Generation Z</strong></td>
<td>12.8%</td>
</tr>
<tr>
<td>Traveling Americans from 15 to 24 years of age</td>
<td></td>
</tr>
<tr>
<td><strong>Generation X Family Travelers</strong></td>
<td>13.4%</td>
</tr>
<tr>
<td>Traveled for leisure with their own child(ren) in the past 12 months</td>
<td></td>
</tr>
<tr>
<td><strong>Visitor Information Center Users</strong></td>
<td>28.8%</td>
</tr>
<tr>
<td>Travelers who used an official visitor information center in the past 12 months.</td>
<td></td>
</tr>
<tr>
<td><strong>Peer-to-Peer Lodging Users</strong></td>
<td>28.4%</td>
</tr>
<tr>
<td>Used a peer-to-peer lodging service (such as Airbnb) in the past 12 months.</td>
<td></td>
</tr>
<tr>
<td><strong>Bleisure Travelers</strong></td>
<td>4.9%</td>
</tr>
<tr>
<td>Americans who extended a business trip for leisure reasons in the past 12 months</td>
<td></td>
</tr>
</tbody>
</table>

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Percent of all leisure travelers
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.

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

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

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.

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?

One Curious Trait

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

<table>
<thead>
<tr>
<th>VIC Users</th>
<th>Other Travelers</th>
</tr>
</thead>
<tbody>
<tr>
<td>70.1%</td>
<td>46.6%</td>
</tr>
<tr>
<td>63.2%</td>
<td>41.7%</td>
</tr>
<tr>
<td>61.5%</td>
<td>26.3%</td>
</tr>
<tr>
<td>62.3%</td>
<td>26.0%</td>
</tr>
<tr>
<td>69.6%</td>
<td>41.0%</td>
</tr>
<tr>
<td>31.8%</td>
<td>31.8%</td>
</tr>
<tr>
<td>5.29%</td>
<td>3.73%</td>
</tr>
<tr>
<td>5.29%</td>
<td>3.73%</td>
</tr>
<tr>
<td>3.73%</td>
<td>3.73%</td>
</tr>
<tr>
<td>19.9%</td>
<td>17.3%</td>
</tr>
<tr>
<td>4.028</td>
<td>2,882</td>
</tr>
<tr>
<td>23.3%</td>
<td>29.3%</td>
</tr>
<tr>
<td>44.6%</td>
<td>23.3%</td>
</tr>
<tr>
<td>51.0%</td>
<td>46.6%</td>
</tr>
<tr>
<td>59.7%</td>
<td>49.9%</td>
</tr>
<tr>
<td>29.3%</td>
<td>23.3%</td>
</tr>
<tr>
<td>46.6%</td>
<td>46.6%</td>
</tr>
<tr>
<td>41.1%</td>
<td>41.1%</td>
</tr>
<tr>
<td>46.2%</td>
<td>48.3%</td>
</tr>
</tbody>
</table>

• Three or more generations traveling together
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.

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.

Getting off the beaten path or exploring hidden gems

<table>
<thead>
<tr>
<th></th>
<th>Peer-to-Peer Lodging Travelers</th>
<th>Other Travelers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Important</td>
<td>23.1%</td>
<td>21.9%</td>
</tr>
<tr>
<td>Extremely Important</td>
<td>22.8%</td>
<td>10.9%</td>
</tr>
</tbody>
</table>

Visiting places I have never been to before

<table>
<thead>
<tr>
<th></th>
<th>Peer-to-Peer Lodging Travelers</th>
<th>Other Travelers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Important</td>
<td>31.2%</td>
<td>32.1%</td>
</tr>
<tr>
<td>Extremely Important</td>
<td>29.1%</td>
<td>21.0%</td>
</tr>
</tbody>
</table>
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.

What motivates Bleisure Travel?

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

45.4%

I wanted to explore the destination

38.1%

Chance to unwind or relax

34.0%

To spend extra time with my travel companion(s)

30.9%

I had friends or relatives in the area

30.9%

I was able to pass the costs onto my employer

29.9%

Chance to have fun or party

28.6%

Great deal on an Airbnb

24.7%

Great hotel deal

21.6%

I wanted to post pictures on social media

18.6%

I didn’t want to go right back to work

4.9% of leisure travelers

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

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

Average age
Bleisure Travelers
Other Travelers
39.0
48.1

Single
Bleisure Travelers
Other Travelers
39.2%
31.1%

College graduate
Bleisure Travelers
Other Travelers
77.3%
51.5%

% Caucasian
Bleisure Travelers
Other Travelers
72.2%
80.2%

Next 12 Months
Expects to take more trips
Bleisure Travelers
Other Travelers
56.7%
29.7%

Expects to spend more on travel
Bleisure Travelers
Other Travelers
49.5%
29.0%

Annual leisure travel budget
Bleisure Travelers
Other Travelers
$4,241
$3,160

Priority of Leisure Travel in Budget
Extremely high priority
Bleisure Travelers
Other Travelers
37.1%
9.5%

High priority
Bleisure Travelers
Other Travelers
28.9%
18.2%

Past 12 Months
Leisure trips taken
Bleisure Travelers
Other Travelers
7.98
3.99

Traveled by air
Bleisure Travelers
Other Travelers
84.5%
45.0%

Traveled outside the USA
Bleisure Travelers
Other Travelers
66.0%
19.3%

Used peer-to-peer lodging
Bleisure Travelers
Other Travelers
67.0%
26.4%

Past 12 Months
Very likely
Bleisure Travelers
Other Travelers
48.5%
13.0%

Likely
Bleisure Travelers
Other Travelers
20.6%
15.7%

Travel Planning Resources Used (past 12 months)
User-generated content
Bleisure Travelers
Other Travelers
83.5%
47.5%

Print resources
Bleisure Travelers
Other Travelers
61.9%
28.4%

DMO website
Bleisure Travelers
Other Travelers
82.5%
34.1%

Social media
Bleisure Travelers
Other Travelers
81.4%
46.2%